

A person is seen from behind, holding a smartphone to take a photo of a stage performance. The stage is lit with vibrant, colorful bokeh lights in shades of blue, purple, and pink. The background is dark, making the stage lights stand out. The overall mood is artistic and modern.

The Hub of our Desired **Contents**, **Seoul**

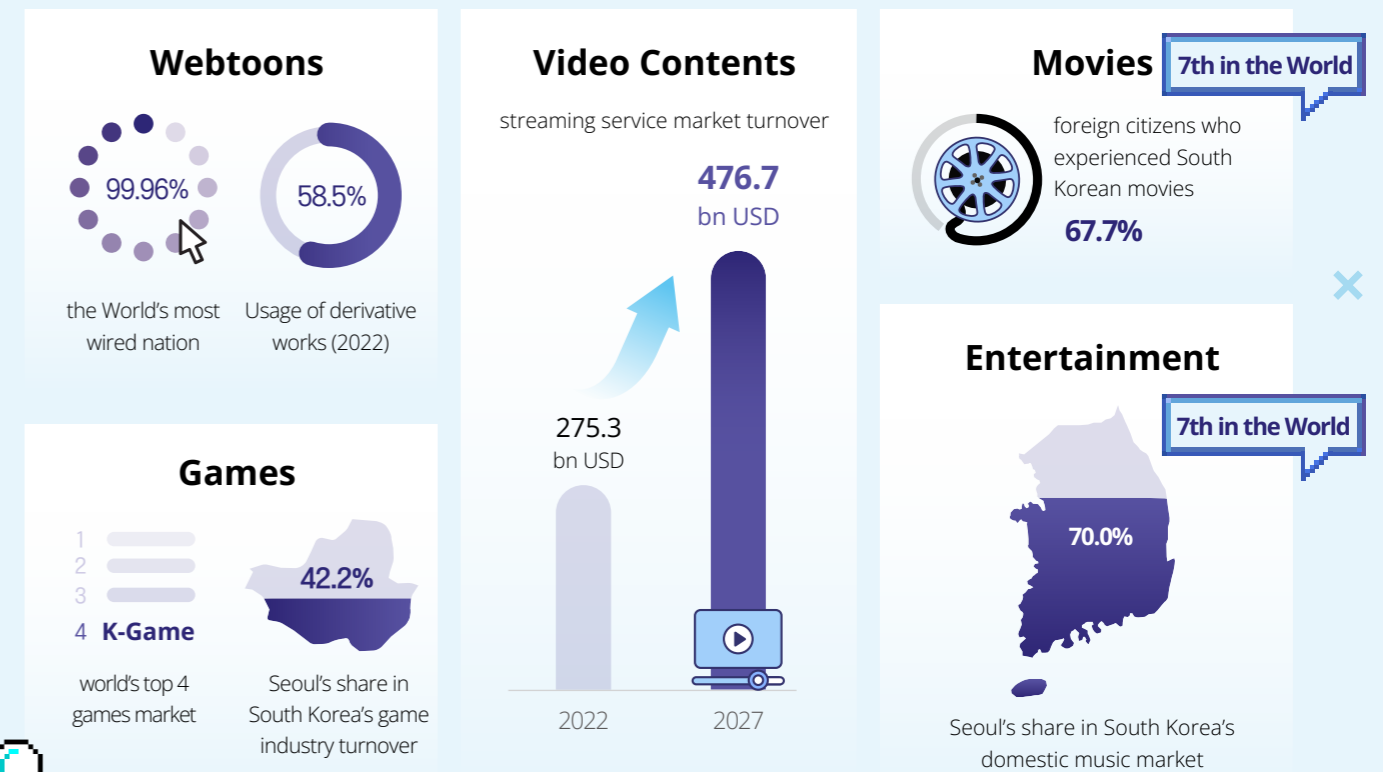
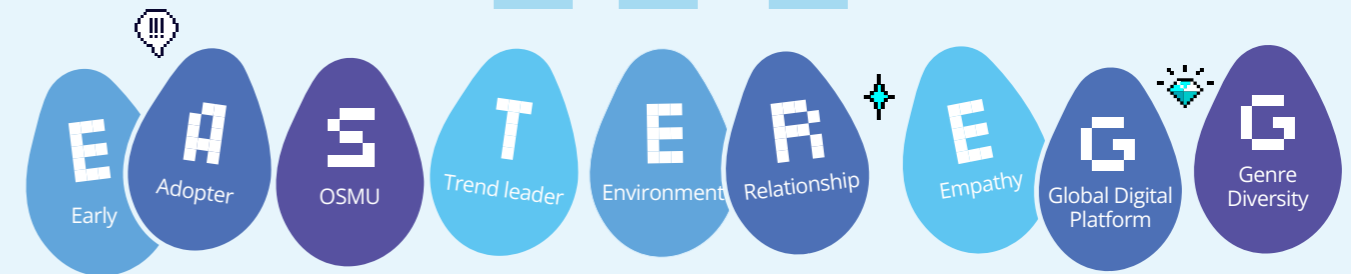
The Hub of our Desired Contents, Seoul

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Seoul's Contents Industry at a glance

EASTER EGG



Key trends

- Global film industry eyes South Korean films that have widely resonating topics and portray the local culture
- Planning & producing various genres of video content (Drama, Variety/Reality series) based on unique storytelling
- Webtoon/Animation industry featuring portrait orientation and quickly paced plot creating synergy with other businesses with their unique intellectual properties (IP)
- Developing 'games' with originality, sophisticated graphics and high usability
- Discovering/developing human talents with unique characters and skills, and the nature of fans who actively participate in the culture make the South Korean 'entertainment industry' competitive

K-Contents becoming a genre - Seoul on the limelight

Global top 7, K-Content market

K-Content managed to attract viewers with their resonating and bonding stories, and they now pose themselves as a new cultural powerhouse in the market previously dominated by Hollywood.

- South Korean Content market size is estimated to be \$70.9 Billion (2023 forecast), which ranks 7th in the world, and they continue to hold the reputation of 'Hallyu' (Korean Wave) in the global market.

World's top 7th content industry, South Korea

Unit : bn USD

State	2019	2020	2021p	YOY (%)
1 USA	894.4	878.3	979.8	11.6
2 China	392.7	401.4	446.1	11.1
3 Japan	200.1	194.9	208.2	6.8
4 UK	106.3	102.3	120.3	17.6
5 Germany	109.4	103.6	113.0	9.1
6 France	74.3	69.7	77.3	10.9
7 South Korea	63.1	64.7	70.2	8.5
8 Canada	60.7	59.2	66.2	11.8

Korea Creative Content Agency - Processed from 2022 Overseas Content Market Analysis / Rankings are based in 2021

'Squid Game' became Netflix's most watched show in the shortest amount of time



Rank	Netflix Series	Views(No. of Accounts)	Release Date
1	Squid Game*	111M	17 Sep 2021
2	Bridgerton (1)	82M	25 Dec 2020
3	Lupin (1)	76M	8 Jan 2021
4	The Witcher (1)	76M	20 Dec 2019
5	Sex/Life(1)	67M	25 Jun 2021

Source: A Popular American Entertainment Publication: 'Variety'

- In 2021, Netflix released the 3rd quarter report to its shareholders referring to the worldwide hit 'Squid Game', describing the show that "'Squid Game' captured the zeitgeist". New York Times also mentioned the worldwide interest in South Korean content, saying "The worldwide hit of South Korean content on Netflix is because they focused on the most Korean sentiment".

Almost half of foreign citizens who experienced K-Content responded "will buy 'Made in Korea' products"

According to research conducted on the citizens of major countries on the first thing that they associate with South Korea, they answered in the order; K-POP(14.3%), Korean food/cuisine(13.2%), South Korean stars/celebrities(7.4%), drama(6.6%), which reflects that K-Content ranked high as the representative image of South Korea. ¹⁾

- In the same research conducted in 2022, **40% of foreign citizens who experienced K-Content** showed a **willingness to purchase South Korean products** even if they don't know the brand well. As shown earlier, content contributes to the heightening of the national image and branding and fulfills the role of advertisement and cultural diplomacy as a 'moving national brand'.

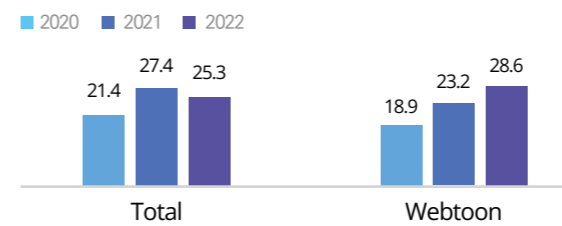
1) Ministry of Culture, Sports and Tourism(2023), '2023 Overseas Hallyu Status Research(Based in 2022)' Results

- The content industry is an influential industry which elevates the enterprises' and the national image*, leading to the growth of other related industries including manufacturing, tourism and assorted services. South Korea's contents industry is a **high-performing & high-value-added industry** presenting a **higher growth rate, export and creation of added values** compared to other service sectors**.

* Netflix's Korean series <Squid Game> was released in over 94 countries and ranked top 1st in all countries. Particularly in India, where their national video content power is strong, Squid Game stayed in the top 1st for 11 weeks and remained in the Top 10 for 28 weeks after its release. Such popularity led to an increase in demand for South Korean manufactured products which helped South Korean household appliances from LG and Samsung (PDP TVs, Washing Machines etc.) to take the 1st in the Indian market.

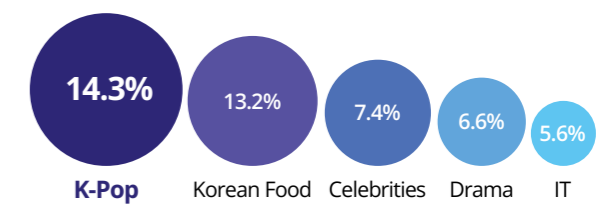
** Intellectual property-concentrated industry's direct contribution to jobs is 29.1%, and GDP contribution is 27.3%(Korea Institute of Intellectual Property, 2018)

High propensity to consume on contents by overseas tourists



Ministry of Culture, Sports and Tourism(2023)

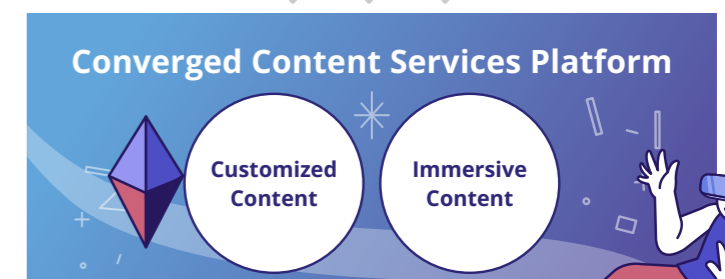
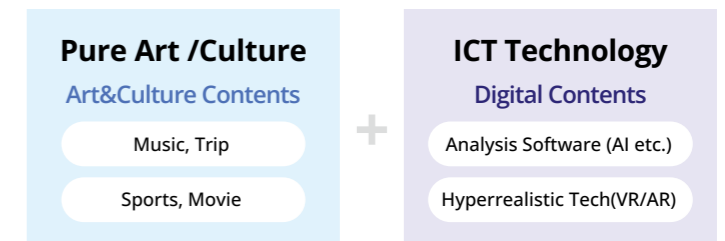
Foreigners think of K-POP first when they think about Korea



Ministry of Culture, Sports and Tourism(2023)

The core of future industry is fusion of content and ICT technology

Content is standing out as the engine of innovative growth in the future. Particularly, the ICT(Information Communication Technology)-fused cultural content can enhance the expansion of cultural diversity, convenience and satisfaction, which is worth keeping an eye on them.



Source : National IT Industry Promotion Agency, Content Fusion under Digital Economy and Service Trends, 2017

- Both the global and domestic content industries are developing with the fusion of technologies(contents and technology), genres(contents and contents), and industries(contents and industries).

- The consumption nature of the content can be optimized with ICT technologies by offering tailored services and delivering traditional cultural content in many ways.



South Korea preemptively responding to Content convergence and information technology (ICT)

The content industry is expected to contribute a large share of ICT industry export in the future. Therefore, to advance and speed up the content industry, South Korea has been strategically pushing towards the fusion of ICT and content to integrate 4th industry technology.

Allen's AI-created 'Theatre D'opera Spatial'

Source: CNN Business



With the Covid-19 pandemic experience, remote services have been spreading across the entire economy and industry environment and technological advancement triggers digitalization. The content universe using Information technology (ICT) is expanding without limits, as we can already witness the metaverse, expansion of platforms, and NFT technology for content storage.

In the case of AI technology, the cultural content which previously reliant on human creativity can fuse with

information technology (ICT) to generate AI-designed art*, texts and music. These can then lead to further derivative works and human creators can provide feedback to make more creative output. Such a creative method is already applied to some of the AI Webtoons, and AI music.

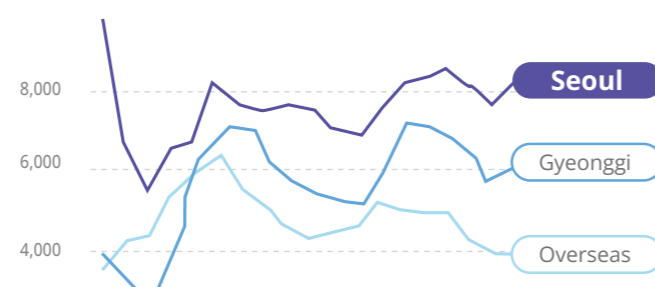
* The case of an AI creation, 'Theatre D'opera Spatial' by Jason M.Allen took first place in the digital category of Colorado State Fair, in September 2022.

Seoul owns the nation's best information technology (ICT)

South Korea is considered an ICT global leader with its high-quality information technology and the proportion of its population wired online.²⁾ Seoul's share of ICT production is 22.9%, software & digital content is 68%, and information technological broadcasting is 66.8% which holds an incomparably high share of the pie in the country.

Seoul's remarkable information technology

Source : KIPRIS Patent Search System Unit : No. of Patent



When it comes to service-related patents in the past 20 years, Seoul has maintained its high position at the top in the content sector and holds a remarkable information technology (ICT).

²⁾ WEF(World Economic Forum), Global Competitiveness Report (Special Edition), 2020

Furthermore, Seoul is expanding its cultural diversity, users' convenience and content accessibility through fused/integrated content including metaverse* with AR, VR, and holograms.

* It's a newly coined term merging 'meta' and 'universe', both virtual and physical reality interact with each other and people can commit value-added social/economic/cultural activities. (e.g., Roblox, Minecraft, ZEPETO etc.)

South Korea's AR/VR technology advancement is at approximately 85.9% of the US's, and it is actively researching and producing content-related technology such as AR devices, spatial computing, and hyperrealistic content environment.

Such technological research is driven by the competition between games, entertainment(K-POP) and mobile communication industries for devices and service platforms, whilst small-medium-sized-enterprises (SMEs) are leading 3D interactive content creation technologies. ³⁾

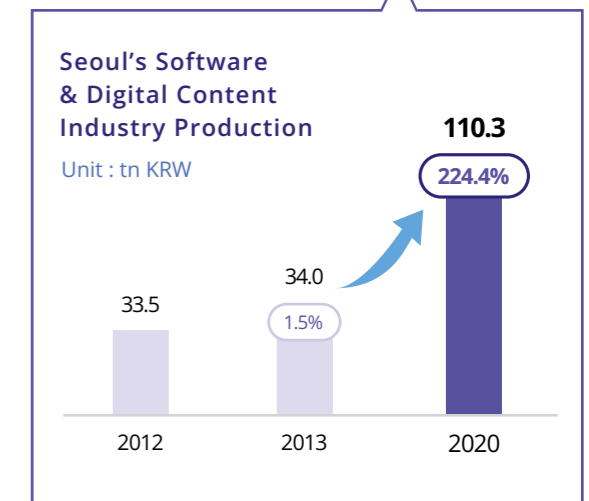
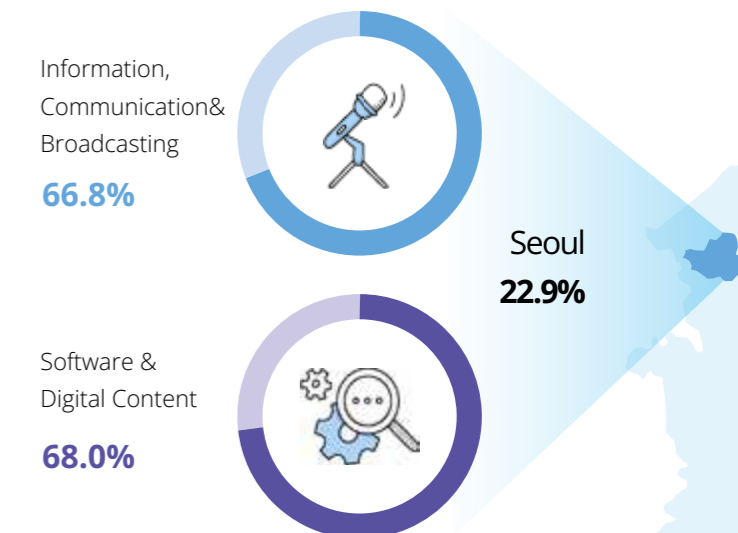
Seoul is particularly rich in brand-new technologies related to the content industry and adventurous in applying them, which is already implementing such content with pace. Netmarble, a mobile game company based in Seoul, has created 'Metaverse Entertainment' with a VR platform to launch a new 'virtual' idol 'MAVE' and they are cooperating with Kakao Entertainment using their 'MAVE' IP to compete in the webtoons market.

Status of metaverse-related industry by Seoul-based game enterprises

Company	Content
Netmarble	Founded a grandchild company (Metaverse Entertainment) – developing VR platform, virtual Idol management, and games development
Com2uS	Acquired shares of VFX enterprise 'WYSIWYG Studio' and become the largest shareholder

³⁾ Institute for Information & Communication Technology Planning & Evaluation, Major ICT Trend Analysis Report in the Generation of Major Digital Shift, 2022


Seoul's share in South Korea ICT industry



Source : Recreation of ICT Statistics Website's Local Statistics (ITSTAT)

Mainstream enterprises leading the core extended reality technology used for content are based in Seoul, including 'GIANTSTEP' which created the virtual character 'ae' of South Korea's major entertainment management enterprise SM Entertainment's K-POP group 'aespa', and the responsible company who participated in the government-led 'XR Metaverse Ecosystem Construction Project' in 2021, 'MAXST'.

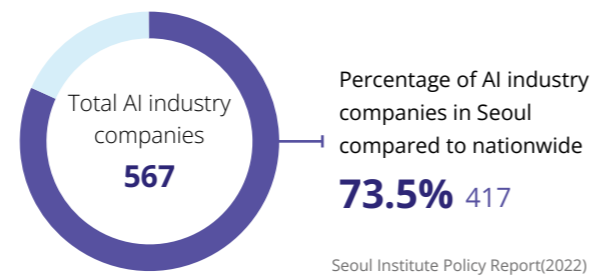
Seoul-based mainstream enterprises with core technology for content

Company	Content
GIANT STEP	<ul style="list-style-type: none"> - Specializes in VFX and VR content creation - Created the virtual character 'ae' from SM Entertainment's 'aespa'  <p>Source: GIANTSTEP main website</p>
MAXST	<ul style="list-style-type: none"> - A platform management which is South Korea's only AR SDK (creative tools for AR apps and content) provider - Released a space-based AR platform 'MAXST VPS' - Selected as the responsible company for government-led XR Metaverse Ecosystem construction project in 2021

Seoul is home to **73.5% of the entire AI companies in South Korea**, which boasts an advanced level of technology as it is **ranked 3rd in AI natural language processing** after the US and China and **ranked 8th in the world in computer vision**.

AI technology level in each field

Natural Lanugage Processing		Computer Vision	
1	Beijing (China)	1	Guangdong Prov. (China)
2	California (US)	2	Beijing (China)
3	Seoul (Korea)	
4	New York (US)	8	Seoul (Korea)



Yangjae AI future fusion innovation district's location & the status of companies part of the AI Hub



- Seoul's Yangjae AI hub hosts an R&D campus, and AI support center to generate high-performance computing infrastructure, and support educational programs and space for companies to apply into their businesses.
- Also, it supports programs to promote AI marketing development and training specialized personnel, as well as helping start-ups attract further investments and funding to improve their business capacity.

enterprises	enterprises with membership	enterprises graduated	Total
77	135	80	292

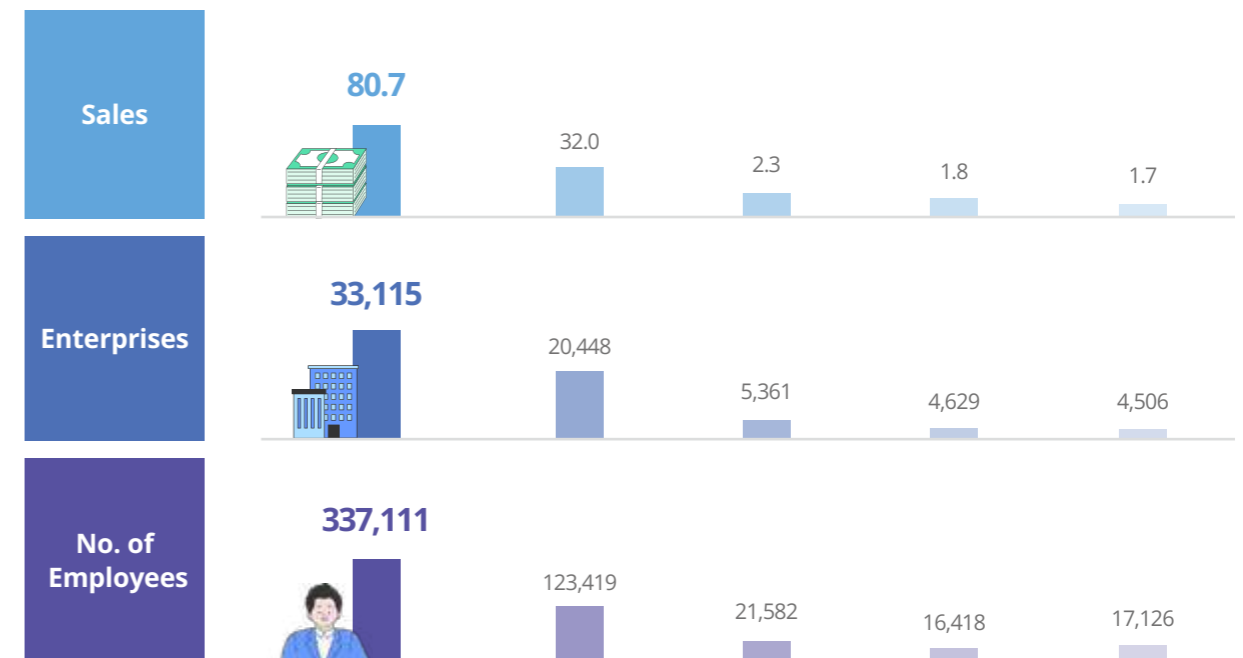
Source: SeoCho-gu Office website

South Korea's biggest Content Industry market, Seoul

Seoul is a main spot for the convergence industry that hosts many cultural heritage and tourist resources, and therefore has an overwhelming advantage in sales, number of corporations and employees over any other regions in the country. Seoul occupies **62.9% of sales, 33.3% of the enterprises**, and **55.1% of the workforce of the entire South Korean content industry**, which shows that Seoul hosts the majority of the domestic content industry.

South Korea's Best Content Industry Environment, Seoul

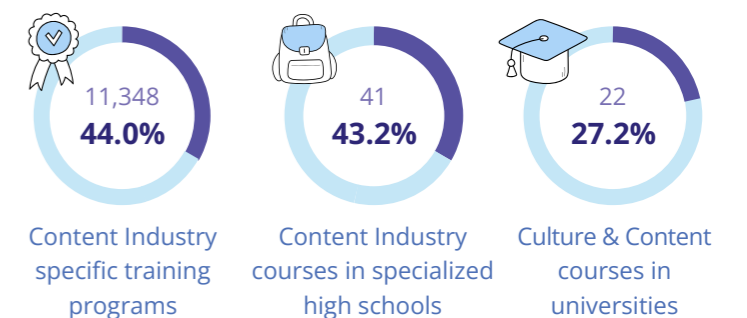
Unit : tn KRW, No., person



Source: Korea Creative Content Agency, 2021 Content Industry White Paper(2022)

South Korea's best human resource pool for the content industry, Seoul

Seoul is not only concentrated with the employees in the content industry, but also **the most concentrated city with educational institutions nurturing future talents**. It has **44.0% of content industry-specific training courses, 43.2% of specialized high school courses**, and **27.2% of the university culture and content courses** of the entire country, reflecting the concentration of future talents of the content industry.



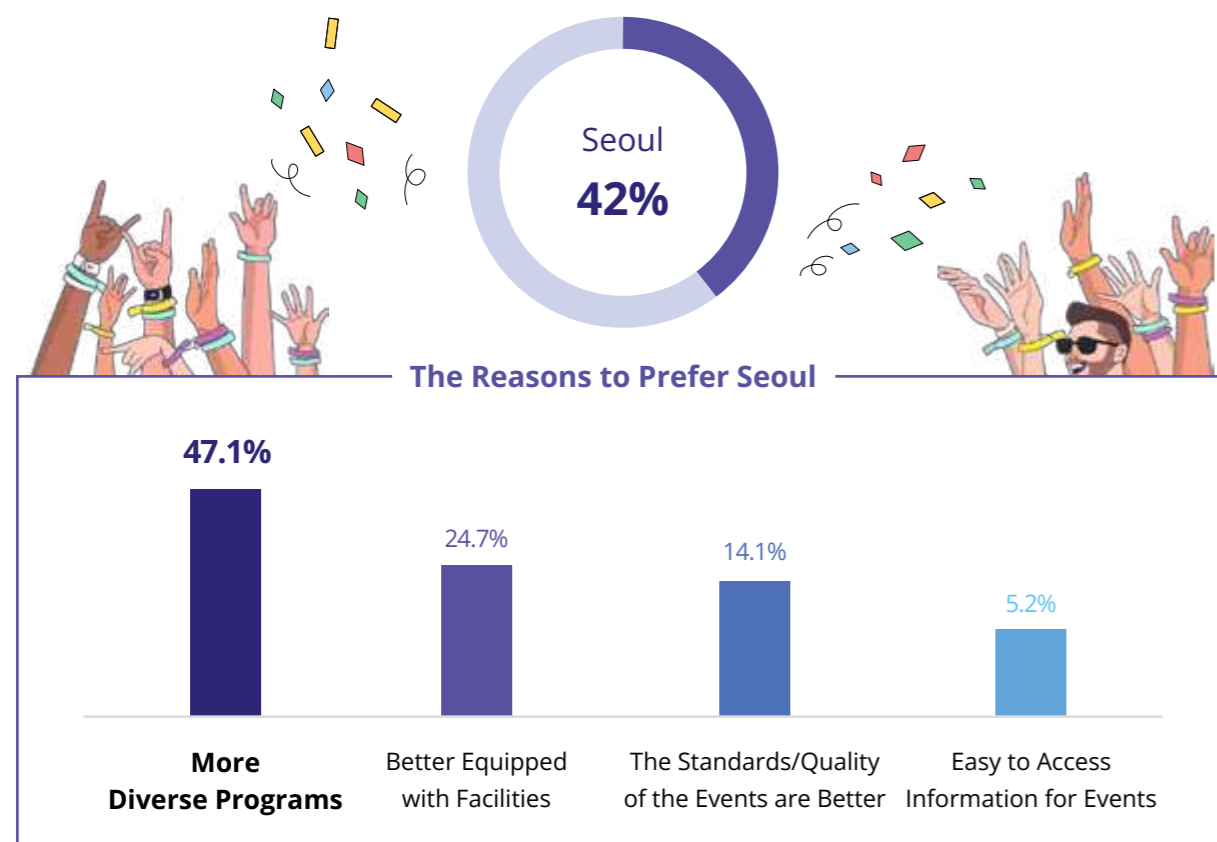
Source: Korea Institute of Design Promotion (KIDP) 'Culture & Content Industry Human Resource Status'(2020)(Professional Training Programs), 'Culture & Content Industry Human Resource Status Report'(2022)(Specialized High School)

South Korea's top 1st economic level and high participation rate in cultural & artistic activities

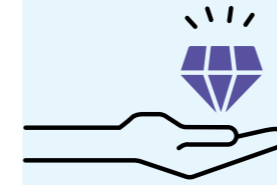
Seoul is South Korea's **leader** in its economy and has the highest interest and participation in cultural and artistic activities compared to other regions, which reflects its citizens treat diverse cultural experiences and activities seriously and can financially support them, making it a good environment for investment.

- Seoul is home to 1 in 5 of the South Korean population and **the regional GDP** is approximately **47.1 trillion KRW**, which reflects its **economic power** as the **top 1st** in the country.
- Based on the high level of economic and financial power, **Seoul has 75.6% of its population who experienced in participating in cultural & artistic activities**, which in contrast to the national standard of 12.2%, Seoul has an overwhelmingly huge interest in artistic and cultural artifacts, activities and experiences.
- Moreover, **42% of the neighboring Gyeonggi-do (province) population** proactively visit Seoul to experience and enjoy more diverse and high-quality cultural and artistic activities, reflecting the **outstanding cultural and artistic environment**.

Preferred Region for Culture and Art Events



Source: Gyeonggi Cultural Foundation, Gyeonggi-do Citizens' Culture/Art Enjoyment Status Research



Foreign investors who recognized South Korean Content Industry's values

Netflix is set to invest \$100 million in Seoul over the next 5 years

In **2022**, Netflix's subsidiary, '**Eye line Studios**', revealed a **\$100 million worth of investment plan over the next 5 years** to newly build visual effects & virtual production corporation using cutting-edge technology, and special effects video studios at the 'Seoul Investors' Forum' hosted by Invest Seoul.

Source : invest Seoul

- They decided to invest based on **the prospects of South Korean content in the global market** and **the excellence of relevant human resources**, which is expected to employ **a minimum of 200 new talents over the next 5 years**, positively impacting the job market.



- It will contribute towards South Korea's movie and drama production industry advancement through cooperation with Seoul metropolitan government in educational programs linked with jobs to develop special effects and video production specialists.



- Singapore's '**Garena**'* led **35 billion KRW** worth of investment in **South Korean game developer 'Vic Game Studio'** in 2022.

* Garena Ventures started to seriously enter into South Korean market after establishing their South Korean corporation, 'Garena Korea', back in 2019

- They are intensifying investments in South Korean enterprises beginning with **broadening the early investment** portfolio targeting **South Korean start-ups**. They invested \$2 million in 'Taleverse' in 2021, a start-up developing user participatory story platform, 15 billion KRW (Series B) in 'Loadcomplete' in 2022 which developed the game 'Crusaders Quest', and also seed invested in the new developer firm 'BLACKSTORM' in 2023, to their 'Project XT' and 'Project NB'. In the case of 'BLACKSTORM', they also managed to attract investments from a global investing firm, Griffin Capital.

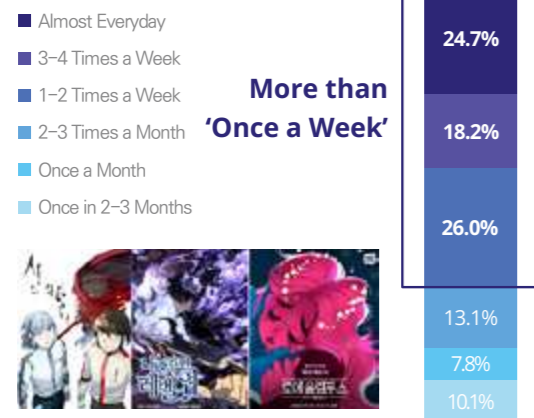
01 Seoul's Content Industry trends

Webtoons

Webtoons, foreigners' most bought K-Content(28.6%)

Out of all the contents, webtoons are the most purchased content from South Korea, reflecting the popularity of South Korean webtoons in the global market.

Webtoons Usage



Source: Series, Kakaopage, Naver Webtoon

- Global citizens began to experience K-Content since the Covid-19 pandemic, which attracted webtoons readers from overseas* and **7 out of 10 webtoon readers consume the content more than once a week** in 2022 (68.9%). 4)

* As the webtoons industry experienced huge growth in 2021, the cartoons and comics industry has reshaped with online comics production and retail at the center and evolved into South Korean platforms offering their services abroad. For instance, Naver Webtoon broke the record of monthly active users(MAU) with 82 million (based in 2022), around 12 million monthly users in the US, ranked 1st in the US in accumulated application downloads and profits, and made three times more sales in overseas markets than the domestic one.

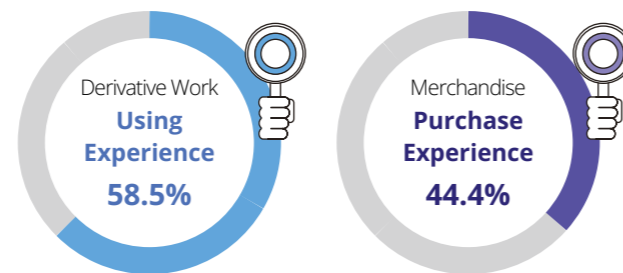
- With the advent of smartphones and introduction of the 5G network, it created a ubiquitous environment where people started to 'consume content in as short as a snacking time*', on mobile platforms like Naver Webtoon or Kakao Page.

* Snack Culture: A new culture consumption trend to enjoy content in a short amount of time like when they are on the commute, just like having a snack.

A market with a high potential for expansion of IP where half of users consume derivative works

- The webtoon industry is where 'OSMU'(one source multi use) is quite common. As **58.5% of users consumed derivative works* from the comics/webtoons original** content in 2022, most of them are positive towards IP expansion and derivative works, which can lead to **further consumption in the related products(44.4%)**, such as stationery, mobile messenger emojis, food/beverage, fashion/clothing and goods/merchandise. 5)

* Dramas, Movies, Animations etc.

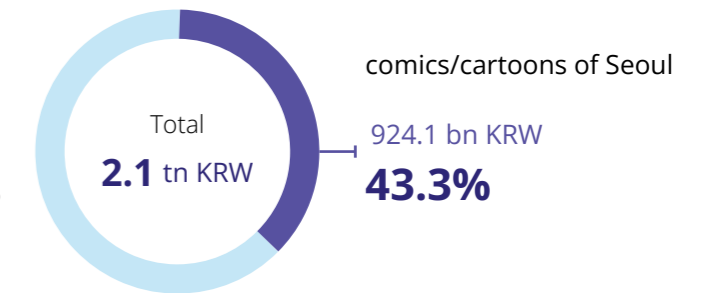


Source: Kpenews, Gameinsight

4), 5) Korea Creative Content Agency, 2022 Cartoons Industry White Paper, 2022

Seoul, the city that will lead the Global Cartoons/Comics market worth \$19.5 billion

- The global cartoons/comics market size is expected to **grow with 7% AER** until 2028, reaching **\$19.5 billion**,⁶⁾ whilst the **South Korean cartoons/comics market** has nearly doubled with **97.0% growth** over the past 4 years. **43.3% of the sales** of the growing **South Korean cartoons/comics market** are **made in Seoul**. ⁷⁾



- In 2013, the webtoons' share in the global cartoons/comics market was only 7.4% but in 2022, it rapidly increased to **18.5%(7.27 billion USD)** which became the future workhorse of the cartoons/comics market.
- Especially, the human resources to tackle the rapidly increasing webtoons market is **concentrated in Seoul**, with **60.5% of the businesses and 61.6% of the employees**,⁸⁾ and Seoul also supports the young creators who wish to enter the industry by running 'Sangsang Biz Academy(SBA)'.

02 Seoul's Content Industry trends

Games

World's 4th largest Games market, sales rise as Covid-19 pandemic spreads

The games' industry has presented itself as a 'recession-proof' business as it benefitted from increased gaming hours and raised sales after the Covid-19 pandemic, despite the world economy turning into a recession.

- South Korea's games export in 2021 was approximately \$8.7 billion(69.6%) of the entire content industry export of \$12.5 billion, displaying a noticeably greater export figure than other contents. ⁹⁾

Sort	Export	Share	YOY(%)
Total	12,453 mn USD	100	9
Publishing	428 mn USD	3.4	18
Cartoons/Comics	82 mn USD	0.7	23.5
Music	775 mn USD	6.2	10.9
Games	8,673 mn USD	69.6	10
Animation	157 mn USD	1.3	2
Broadcasting	718 mn USD	5.8	18.6

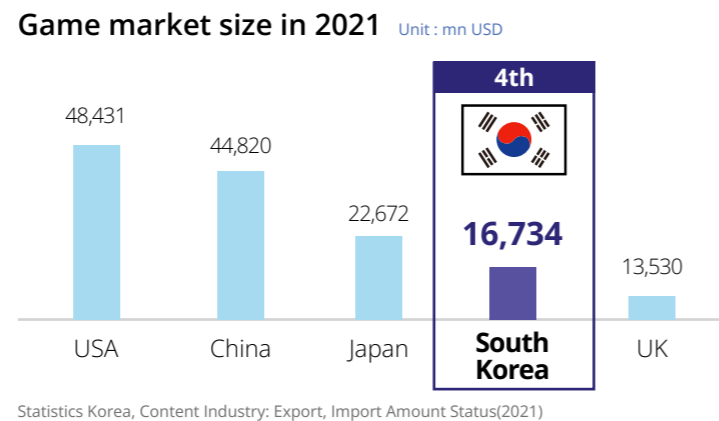
6) QYResearch Group, Global Comic Book Market Size, Status and Forecast 2022-2028, 2022

7) Statistics Korea, 2021 Cartoons Industry Regional Sales Status, 2023

8) Seoul Institute, Seoul's Webtoon industry Growth, Policy, and Policy Tasks in Digital Economy, 2021

9) Statistics Korea, Content Industry Export Status, 2023

In 2021, South Korea ranked 4th in the global games' industry size with \$16.73 billion, and it also ranked 4th in the mobile games market with \$5.28 billion (based in 2022). In terms of genres, RPG(Role Playing Game) occupied the biggest share of global sales with 31% and RPG's South Korean share is 68% with NC Soft's 'LineageW'. 10)



The core of South Korean Games Industry, Seoul, account for 42.2% of the Korean games market

Seoul accounts 42.2%(8.86 trillion KRW) of South Korean games industry sales, 20.99 trillion KRW, and it is the core of the South Korean games market hosting the most enterprises(38.9%) and employees(32.0%) in the country.

Such a record can be driven by Seoul's 'Seoul Games Industry Nurturing Assorted Plan' which initiated a 50 billion KRW investment over the past 5 years to nurture games development start-ups and independent game developers and supported the industry to fuse with other disciplines and acquire cutting-edge technologies including VR/AR/AI.



Games industry enterprises/employees status

Processed Data from the 2021 based Contents Industry Research(Ministry of Culture, Sport and Tourism)



10) Data.ai(formerly App Annie)

K-POP (Entertainment Industry)

Global top 7th Market: K-POP that shaken the world music market

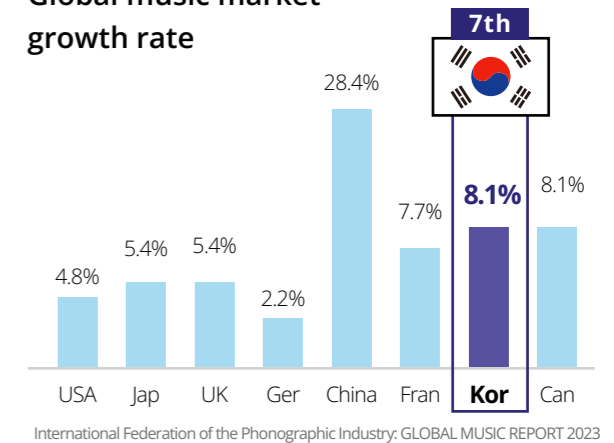
The global music market recorded \$29.1 billion as the albums and streaming service markets experienced 9.0% and 11.5% increases, respectively. South Korea's music industry reached 8.1% growth YOY, which makes it the 7th largest market in the world. 11)

According to the 'GLOBAL MUSIC REPORT 2023' by the International Federation of the Phonographic Industry(IFPI), there were 3 K-POP bands* in the top 10 bestseller albums and the most popular artists, and 4 K-POP bands** in the top albums chart, reflecting the 4 major K-POP bands/groups achieved a huge milestone in the global music market.

K-POP was previously perceived to reach its highest point during the Covid-19 pandemic and expected to lose its presence after the regulations ease, but it continues to grow its presence in the global market. For example, BTS Jungkook's 'Seven' stayed at the 1st on Billboards chart, as well as BTS Jimin's 'Like Crazy' and Newjeans's 'Super Shy' stayed on Billboard Hot 100.

* Bestselling albums & most popular artists: BTS, SEVENTEEN, Stray Kids
 ** Album chart: BTS, Stray Kids, SEVENTEEN, BLACKPINK

Global music market growth rate

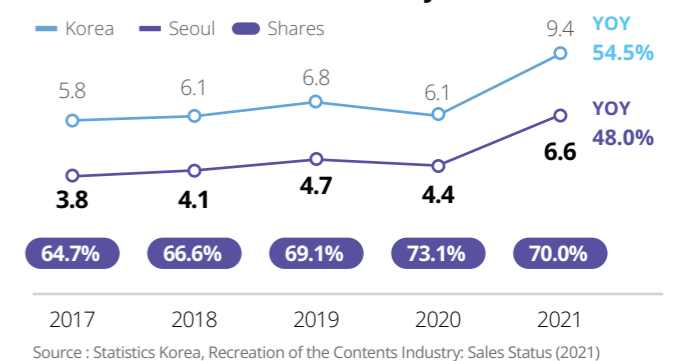


Seoul, the backbone of K-POP

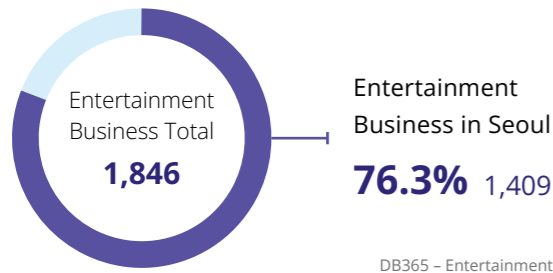
South Korean music market recorded sales of 9.37 trillion KRW and Seoul generated 6.56 trillion KRW alone, occupying approximately 70.0% of the national figure. Both South Korea and Seoul have experienced 54.5% and 48.0% growth respectively, which shows that Seoul represents South Korea's national music market.

Sales of the content industry

Unit: tn KRW



11) IFPI, GLOBAL MUSIC REPORT 2023



DB365 - Entertainment DB

Seoul is home of the **76.3% of South Korea's entertainment businesses** including the **major companies** which developed the K-POP idols nurturing system and the Innovative business models. *

* SM, HYBE, JYP, YG total management system

These **entertainment companies** implemented* IT technologies like AR and VR into fan platforms** to try paid online concerts during the pandemic and **expanded into the online concerts market** over conventional offline concerts.

* K-POP escaped the traditional albums-centered business, by suggesting a business model presenting the idols/bands themselves as the products, and successfully shifting from the 'listening' to 'watching'

** HYBE's 'Weverse', SM Entertainment's 'Dear U Bubble', 'KWANGYA CLUB'

Additionally, other main reasons to invest in K-POP entertainment companies are the fact that K-POP groups and bands breaking the records of yearly album sales as it exceeds 1 million copies, as well as the companies are eyeing to expand globally, as witnessed by HYBE and JYP entertainment cooperating with American label 'Universal Music' to launch a more American style idol groups/bands.

Seoul is supporting the 5G mobile communication system-based hyperrealistic video content production such as applying AR/VR content into K-POP concerts, and preparing itself with technological developments by running a hyperrealistic video content research institute.

04 Seoul's Content Industry trends

Video Contents (Dramas, Variety/Reality TV Series)

Netflix to invest \$2.5 billion in K-Content

According to Bloomberg, more than 60% of Netflix subscribers are watching South Korean Content. Foreigners watched **drama(74.2%)** the most out of all South Korean content they experienced. 12)

The content industry distributed/consumed via streaming services(online-based videos) is on a historical boom since the Covid-19 pandemic, and the size is estimated at **approximately \$275.3 billion** and is expected to **increase up to \$476.7 billion**. 13)

South Korea is focusing on **content production** which is serviced to different platforms and the video content features social reality like polarization and inequalities as well as portraying detailed emotions to make viewers resonate* to the characters.

* Example: communal fantasy 'Jeong' (情) often picked as a unique emotional material



Source : The Glory, Netflix

12) Ministry of Culture, Sports and Tourism, 2023 Overseas Hallyu(Korean Wave) Status Research, 2023

13) KOTRA, 2023 Foreign Investment Attraction Comprehensive Plan, 2022

South Korea's President Yoon Suk Yeol and Netflix CEO Ted Sarandos



Netflix invested a total of \$500 million in South Korean video content over the past 5 years, and according to a market research firm Media Partners Asia, **annual investment in South Korea reached \$1 billion** and planned to invest \$2.5 Billion in the future, which is the largest amount in history (2023. April).

As mentioned earlier, the success of K-Content leads to investments in K-Content and large-scale investments in the South Korean content industry will hugely develop the national content industry environment by ▲improving the planning/production capacity of the content production enterprises ▲nurturing future human resources.

Seoul, the heart of video content creation

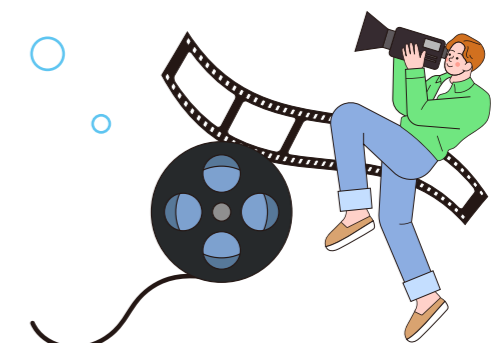
According to the 2022 broadcasting and video industry white paper, **Seoul hosts 75.8% of the independent broadcasting/videos production companies*, 91.3% of the sales, and 83.0% of the employees** of the nation's entire industry, holding an **overwhelmingly large share** of the video and broadcasting field since 2013.

* Independent broadcasting/video production company refers to the businesses that produce video content and provide it to the broadcasting companies under <the Broadcasting Act> (the General Act for Cultural Industry Promotion Article 2, No. 20)

Current Status of Independent Broadcasting Video Production Companies

Source: Broadcasting Industry White Paper(2022)

	Distribution of Production Companies			Regional Sales Unit: mn KRW		Regional Employees	
	Total	Seoul	Share	Total	Seoul	Total	Seoul
2018	728	550	75.5%	2,456,536	2,215,93	12,998	10,825
2019	658	502	76.4%	3,171,316	3,060,982	13,453	12,088
2020	671	511	76.2%	3,952,961	3,545,115	13,106	10,694
2021	732	555	75.8%	4,569,106	4,171,431	13,568	11,257



Seoul Business Agency's Content department held 'SPP International Content Market 2022' to maintain the production and supply successful contents, in the growing K-Content market. The event is **South Korea's largest size** content market where the purchase of sales rights, co-production contracts, investment attraction and other various content businesses occur. There have been approximately **2,800 matching consultations** with **763 companies from 43 countries participating** in the event since 2022, as it opened its doors to all areas of the content industry, including webtoons/web novels/games/music/drama/movies.



Source : Seoul Business Agency

05 Seoul's Content Industry trends Movies

Global top 7th in sales, 1.71 trillion KRW market

The global cinema industry sales in 2022 were **\$25.17 billion**, which recovered up to 60.3% compared to 2019. **South Korea's films market**, in which quality and artistic values are recognized worldwide, **reached 1.71 trillion KRW** in 2022, with a **75.9% growth rate**, placing themselves at the **7th** in global cinema sales.

Furthermore, its quality and artistic values are gaining a reputation in the global market, with many being awarded at the Academy and Cannes Film Festival, starting with 'Parasite' in 2020, 'Minari' in 2021, and 'Decision to Leave' in 2022.

The cinema market sales & growth rate in major countries

States	2022 Cinema Market Sales	YOY Cinema Market Growth Rate
1 USA	6,900.0 mn USD	61.5 %
2 China	4,457.4 mn USD	-39.2 %
3 Japan	1,567.9 mn USD	6.3 %
4 India	1,272.3 mn USD	154.1 %
5 UK	1,111.3 mn USD	45.1 %
6 France	1,062.5 mn USD	40.4 %
7 South Korea	897.9 mn USD	75.9 %
8 Germany	758.2 mn USD	71.8 %

Source: Korea Film Council(KOFIC), 2022 Korea Film Industry Final Report

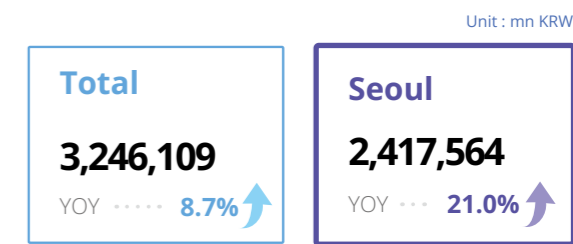


Source: Naver serieson

Foreigners' yearly South Korean content experiences show that **movies(67.7%)** ranked at the **2nd** after food/cuisine(72.3%), reflecting the heightened popularity and the fact that many foreigners watched South Korean movies. **14)**

The city leading South Korean Movies/Films Industry, Seoul

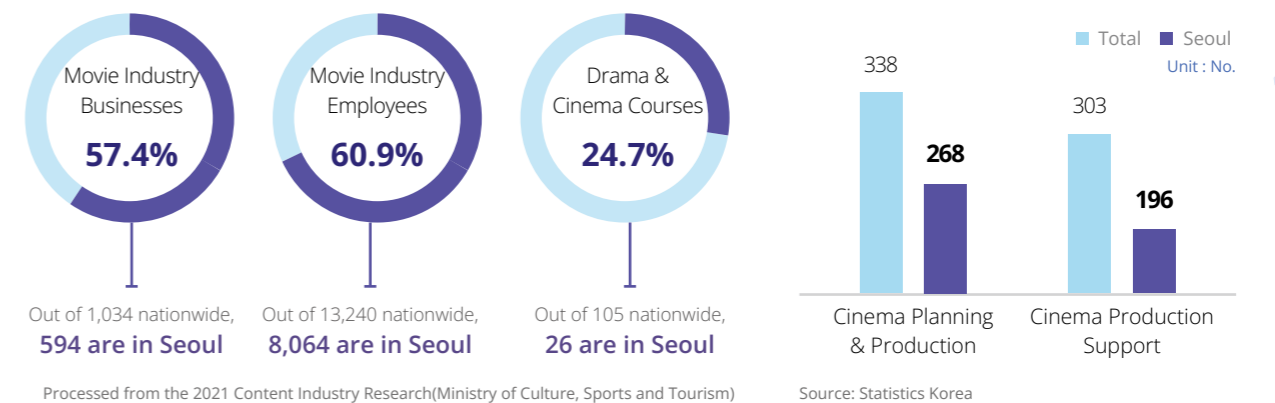
In 2021, **2.42 trillion KRW(74.5%)** of the national cinema industry sales, **3.25 trillion KRW**, was made in **Seoul**, which is the majority. South Korea and Seoul have experienced 8.7% and 21.0% increase YOY respectively, which shows that the turnover in Seoul has risen further.



Source : Statistics Korea, Content Industry Sales Status(2021)

The key reason for this is that Seoul has a good infrastructure and environment for the industry, as **57.4% of the movie-related enterprises, and 72.4% (464 businesses) that are involved in movie production, directing, and production support** in 2021 are based in Seoul.

Also, **60.9% of the employees and 24.7% of the students in drama and cinema courses**, which can be considered as future employees, are in Seoul, which is higher than any other region in the country.



Processed from the 2021 Content Industry Research(Ministry of Culture, Sports and Tourism)

Source: Statistics Korea

14) Ministry of Culture, Sports and Tourism, 2023 Overseas Hallyu (Korean Wave) Status Research, 2023

Higher prospects for the coming year,

watch out for these companies

Foreign investment attraction success stories | **CONTENTS LAB. BLUE**



Our vision and aim is to make **South Korea's 'webtoons'** to settle in comics powerhouse Japan and the USA.

In-House production, Webtoons production & distribution based on global production processes



Please introduce us to CONTENTS LAB. BLUE

We are a webtoons' production company that encompasses diverse genres like romance, fantasy, dramas etc. Instead of the conventional methods reliant on the individual creator's talent, we make ours 'In-House', which means that we create our content with many authors and artists that we have, as a group process. By this, we can integrate the production capacity and secure the IP rights into the company to make all stages of Webtoons production a business.

What kinds of products and services do you offer?

Through 5 years of an In-House production system, we expanded into 11 different countries to distribute webtoons and there are many popular webtoons IPs such as 'Untouchable Lady'(85 Million Global Views), and 'The Swordmaster's Youngest Son'(51 Million Global Views). We also offer a variety of services like drama/animation production, publication, and merchandise production using our popular IPs for an OSMU(One Source Multi Use). We built a co-production process called 'CLB-BELT', spanning 3 corporations in South Korea, Japan and Thailand to improve qualities and optimize costs with each nation's strengths.

Please introduce us to the Business Model

We produce web novels, published comics, games, and movie scenarios based on our diverse original IPs and distribute the webtoons to platforms like Kakao Page or Naver WebToon. The 'Novel Comics' which is making Webtoons based on novels is the backbone of our company business and also actively working on Webtoons' production using other popular comics, movies/drama/games scenarios.

Why do you think you were successful in attracting foreign investments?

Since the Webtoons' platform 'Piccoma(ピッコマ)' became popular in Japan, Japanese content enterprises began to show interest in South Korean Webtoons. Our Series B anchor investor 'MEDIA DO(メディアドゥ)' wanted to supply Webtoons to the Japanese market so they were interested in investing in our shares for strategic cooperation. As it matched with the Japanese manga industry market, and as they recognized our global production processes and our capacity, we managed to attract a 500 Million JPY investment.

Could you advise the companies who wish to attract foreign investment?

I would say they need differentiated plans that fit into each country. We captured the interest of Webtoons in Japan even though they already have a developed manga/comics industry, and we believed that the Webtoons industry will experience a skyrocketing boom, which led to an early entry into the Japanese market by setting up our local corporation in Japan. So, other companies would have to carry out detailed analyses to figure out the investing country's industry standards, and how it is perceived by their investors to develop a suitable plan, which can then attempt to persuade the investors of the company's potential or marketability.

What do you hope for in future when you manage to attract investments?

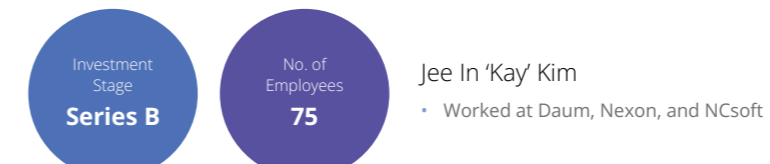
Our vision and aim is to make the 'Webtoons' settle into the developed comics market of Japan and the US. Since Japan and the US are not quite familiar with Webtoons so we are entering the market by making locally popular IPs into Webtoons through cooperation with local businesses. Through this strategy, we expect to expand the market and secure overseas subscribers to bring in subscribers and occupy the market preemptively.

Companies with potentials | **GRAMPUS**



GRAMPUS ecosystem that evolves into a **'media company'** that will go with global fan base

An enterprise that seeks business opportunities through the 'Game division' that develops live games, and the 'Meta division' that focuses on cooperative business using 'Gamification'.



Please introduce us to GRAMPUS



We try to improve service competitiveness based on casual games heritage. I founded this company with 8 members after working at Daum, NEXON and NCsoft and researching overseas trends. We managed to gather 1 million users in 2 years after the start by servicing 'Bingo Adventure' to social casinos in North America. Since we needed to acquire a huge sum of budget to attract more users, which was a burden for a start-up so we reduced that business and switched our target to less saturated feminine, casual and global targeted games.

What kinds of products or services do you offer?

We are developing simulation casual games, including 'Cooking Adventure' and 'My Little Chef' which recorded about 30 million cumulated downloads and 30 billion KRW cumulated sales. We are also going to globally launch a game using BTS's TinyTAN in the 4th quarter of this year. It's a game where players can experience healing through cooking, music, and dance with ARMYs in the cities that BTS visited during their world tour.

Please explain your Business Model to us

Our 'Game division' is an organization that develops and manages the casual Web3 games: Cooking Adventure, My Little Chef, and Norma in Metaland. They are mainly partly paid games and we are also running advertising and promotion. The 'Meta division' is responsible for the meta services, and they are developing service apps by linking 'gamification' with commerce & entertainment and running cooperative businesses. Our business model is to receive fees for service development consulting and app development and share profits made from the partly paid services.

What makes this company special? Are there any specific characteristics or strengths?

I find the reasons why games developed by our 'Game division' remain in the Top 10 in the fun coming from the algorithm. It is our unique attraction to connect users and maximize the plot and game elements in that connection. The algorithm will expand the game features in the upcoming BTS game which global fans will find it fun and impressive. Meta services that our 'Meta division' is developing incorporate our unique AI engine, mini-game curation and Dynamic Ads features.

What do you hope for when you successfully attract investments?

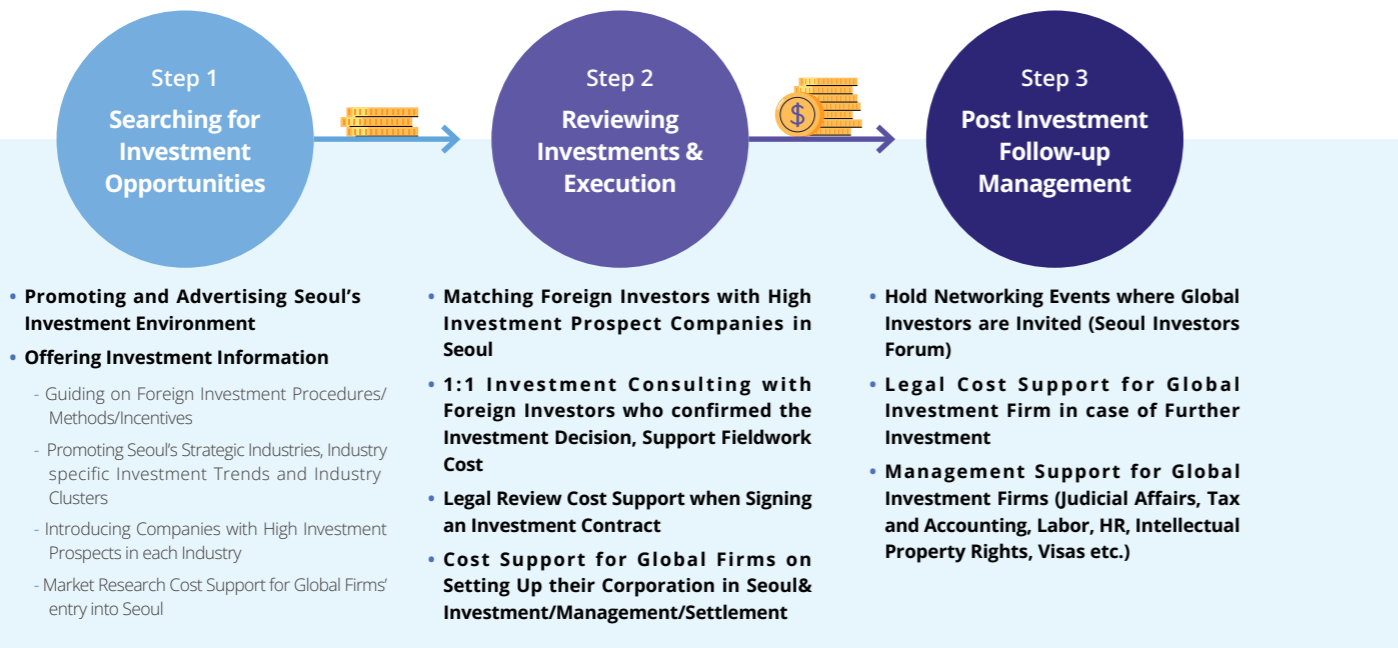
About 30% of Series B Investments will be spent on building cooperation and contracting K-POP artists, about 40% of it will be spent on R&D and marketing, and the remaining 30% will be used to hire partner businesses and content publishing. We will evolve into a 'media company' with our global fan base, with our unique algorithms of GRAMPUS.



Invest Seoul is with you

Invest Seoul is an organization to promote foreign investment, which was commenced by the City of Seoul and aimed at making Seoul an attractive global investment destination. We seek to create a virtuous circle of economic growth by bringing in global corporations looking for new investment opportunities and supporting greater growth opportunities through connecting foreign investors and local companies with high potential and prospects. We are running alongside you for your company's innovation and success by offering tailored services based on rich knowledge and expertise in foreign investment, as well as cooperation between industry-specialized organizations, experts and the central government.

Invest Seoul's Step-by-Step Support Service



Incentives for Investment

Cash Grants	Cost support for building or refurbishing cutting-edge technology & business factories and offices. Cost support for land or real estate purchase, rents or construction, capital goods and R&D goods purchase, infrastructure, employment, education and training.
Tax Exemption and Reduction	When foreign investors are newly building factories/offices or investing 2 million USD or more, they can enjoy a reduction on acquisition and property tax. Also, they will be exempt from tariffs, individual consumption tax and value-added tax.
subsidies for employment and education/training	Global foreign investors investing in Seoul's 8 new growth powerhouse industries (IT/convergence, green industries, digital contents, business services, fashion/design, finance, tourism/convention, and biotechnology) can receive subsidies for employment and education & training via signing MOU on foreign investment attraction business.

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Contents companies to watch



	Company	CEO	Main Services/Products	Investment Stage	Website Links
1	Kidari Studio (KILEDEL)	Kim Young-Hoon	Contents Creation & Platform (Lezhin Comics, BOMTOON)	Series C	https://kstd-lezhin.career.greetinghr.com/
2	CONTENTS LAB. BLUE	Go Young-To	WebToon Production, WebToon Creation & Translated Contents	Series A	https://contentslabblue.com/
3	VIVE Studios	Kim Se-Gyu (Stanley Kim)	Virtual Production & AI-based Metaverse Contents	Series B	http://vivestudios.com/v2/web/index
4	POSTYPE	Shin Gyu-Seub	POSTYPE: Donation-based Creative Contents Platform	Series B	https://www.postype.com/
5	TOONSQUARE	Lee Hoyoung	Smart WebToon Platform using AI Technology 'Tooning'	Series A	https://toonsquare.co/home
6	Tappytoon	Bang Sun-Young	Global WebToon Platform 'Tappytoon'	Series B	https://about.tappytoon.com/
7	YLAB	Shin Joon-Kyung	WebToon Contents Creation Business	Series B	http://www.ylabcomics.com/sub/index.php
8	Nautilus Inc.	Lee Sung-Ub	Knowledge-based WebToon Platform 'emanbae'	Series B	https://www.emanbae.com/main/home
9	Clover Games	Yoon Sung-Guk	Cartoon style Mobile RPG Game Development	pre-A	https://www.clovergames.com/
10	GRAMPUS	Kim Jee-In	Multiplatform Games Company	Series B	http://grampus.co/
11	MONOVERSE	Lee Jae-Hyun	Games & Contents (FRUTTI DINO), Supporting Blockchain Services	Series B	https://monoverse.io/
12	XrisP	Sohn Dae-Gyun (Xris Sohn)	Rollercoaster Boy 'Nori' O2O Metaverse Platform	Pre-A	https://www.xrisp.com/ko
13	SHAREBOX	Shin Yeon-Sik	Video Contents Technology (5-side Interaction Zone 'X-Rumpusbox')	Pre-A	http://ssharebox.com
14	Highbrow Inc.	Won Se-Yeon	Technology-based Simulation Game 'DragonVillage'	Series A	https://www.dragonvillage.net/
15	macovill	Lee Joo-Hyun	Entertainment and Contents	Series A	https://www.macovill.com/
16	Aloha Factory	Lee Ho-Jin	Block Puzzle Game 'Block Puzzle 1010'	Series A	https://www.aloha-corp.com/
17	DALCOMSOFT	Kim Hyeon-Geol	K-POP-based Mobile Rhythm Games	Series A	https://dalcomsoft.com/
18	HIGROUND	Kim Hwan-Cheol	Movie/TV Series Production	Series A	http://www.higround.co.kr/
19	LUYWORKS Media	Han Yul	TV Series/Variety Show Production	M&A	02-3152-8400
26	TEO	Lee Seung-Joon	Variety Shows Production (i.e. Seoul Check-In, JiGuMaBul SegyeYeohaeng on TVING)	Series A	https://www.instagram.com/teo.universe/

2023 Seoul Industry Report

The Hub of our Desired Contents, Seoul



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