

The Global Spread of the South Korean Content Industry – Its Policy Framework & International Cooperation

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The Rise of Korean Content in Global Cultural

This past March, Seoul was swept up in a wave of excitement over a K-Pop idol group's concert. It was BTS's comeback performance. All seven members had completed their mandatory military service and held their first concert after discharge at Gwanghwamun Square in central Seoul.

They are a group enjoying immense popularity not only in South Korea but globally. Riding this wave of popularity, over 100,000 fans gathered from around the world. They are known as the "ARMY". This concert symbolically demonstrated how Korean content is not merely an entertainment product, but a cultural and economic resource that encourages people's cross-border movement, injects vitality into cities, and heightens interest in South Korea as a nation.

Korean content, particularly K-Pop and K-dramas, has transcended the category of cultural goods to become a crucial element of the national brand. Over the past two decades, diverse Korean content – including K-Pop, films, dramas, games, webtoons, animation, characters, and web novels – has been widely consumed in the global market, establishing a solid presence within the world's cultural industries.

Since the 2000s, the expansion of digital platforms like YouTube and Netflix has presented significant opportunities for the growth of Korean content. K-Pop spread beyond Asia through YouTube, reaching Latin America, Europe, North America, and the Middle East, forming a global fandom. While there was once heavy reliance on overseas broadcasters and distribution networks, the digital era has made content competitiveness and direct fan engagement more crucial.

Furthermore, the emergence of OTT platforms like Netflix has enabled Korean dramas and films to be released simultaneously worldwide, creating international hits. Korean content has evolved from products targeted at specific countries to content planned, produced, and distributed with the global market in mind.

In recent years, the expansion of the industry centered on content intellectual property (IP) has also been vigorous. Beyond adaptations like dramas and films based on webtoons and web novels, IP is being developed into diverse forms including games, character merchandise, live performances, publishing, and licensing businesses. This IP business model is highly valued as a way to generate long-term value for content. Popular content also connects with the tourism and consumer industries, generating ripple effects across diverse sectors such as food service, distribution, cosmetics, and fashion. This includes increased tourism to drama filming

locations and expanded consumption of related merchandise. It also fosters cultural diffusion, such as heightened interest in learning Korean.

Currently, the scale of Korea's content industry is approximately \$100 billion, with exports totaling \$13.3 billion in 2023. The average growth rate over the past five years stands at 5.0% in sales terms and 6.0% in export terms. South Korea is enhancing its presence in the global content market, and this growth is evaluated as a result of the combined effects of creative power, corporate competitiveness, and government policy support.

Fostering Content as a Future Core Industry

The growth of South Korea's content industry has been driven not only by the creativity of private companies and the dynamism of the sector, but also by the crucial role of government policy support. Since the early 2000s, the South Korean government has recognized the content industry as one of the future growth industries and expanded its policy support.

Particularly, beginning with the 1991 drama "What Is Love?", which gained popularity in China in 1997, followed by the 2003 hits "Winter Sonata" and "Jewel in the Palace", the content industry began gaining recognition as a new export sector across Asia. These were early success stories demonstrating that Korean content, based on cultural resonance, could be highly competitive in overseas markets, forming a crucial backdrop for subsequent policy expansion.

Within this trend, the policy budget also expanded significantly. The content industry promotion budget, which was only about \$50 million in the early 2000s, increased more than 30-fold to approximately \$1.2 billion by 2026. The government is supporting the industry's growth through diverse policies, including production support, research and development, human resource development, and overseas expansion assistance.

The content industry is recognized as an industry capable of generating high added value with relatively few resources, enhancing national brand value, and positively impacting exports in other industries. According to research by the Korea Creative Content Agency, an increase of \$1 million in Korean content exports is estimated to raise the value of the national brand by approximately \$410,000. This demonstrates that the content industry is not merely a cultural activity but a strategic industry that comprehensively elevates a nation's international image, industrial competitiveness, and economic value.

Furthermore, the content industry possesses characteristics distinct from manufacturing. While it holds high potential for hits, it also carries significant uncertainty and cannot be measured solely by short-term profitability. The foundation formed over long periods – challenging new projects, developing prototypes, nurturing creators, and accumulating intellectual property – is crucial. Therefore, it is highly significant for the government to share a portion of the industry’s initial risks, creating an environment where the private sector can engage in bolder creation and investment. Due to these characteristics, many countries are fostering the content industry as a strategic sector, and South Korea has also built its industrial foundation through policy support.

Policy Framework Supporting the Content Industry Ecosystem

South Korea’s content policy is designed with the entire industry value chain in mind. Support is provided at every stage of the industry, from content planning and production, distribution, and export, to talent development and research and development (R&D). This support goes beyond mere financial assistance. Diverse policies are promoted to foster overall industry growth, including prototype development support, main production support, production infrastructure development, joint participation in overseas content markets, overseas publicity and marketing support, translation and localization support, specialized talent education, investment attraction, and inter-company collaboration support. Programs specifically supporting market entry by small and medium-sized content companies and startups with new ideas are also expanding.

The ultimate goal of these policies is to “build a sustainable content industry ecosystem”. The content industry has an industrial structure where diverse entities – creators, production companies, platforms, and others – collaborate. Therefore, it is crucial to establish an environment where creators and companies can stably produce content and develop new business models. Maintaining an environment that enables challenge and re-challenge, not just one-off hits, leads to long-term competitiveness.

Recently, the importance of IP has grown significantly. This is because a single work can be expanded into video, games, merchandise, and more, creating new revenue opportunities. This is not merely secondary utilization; it is the concept of cultivating the content itself as a long-term asset, occupying an extremely important position in the growth model of the Korean content industry.

Furthermore, in today’s content market, creating an excellent work alone is insufficient. How it is delivered to which markets and how fan communities are built have become critical. Elements like translation, social media communication, and data analysis are no longer ancillary tasks after a work’s completion; they are integral to competitiveness itself. Korean content policy has evolved to address these characteristics of the global distribution era.

Recently, the development of new technologies like generative AI is bringing significant changes to the entire content industry. Methods of content production and distribution are rapidly changing, and convergence between different types of content is expanding.

While generative AI holds potential for use in multiple areas such as planning support, translation, video production, editing, and marketing, it also raises new challenges concerning copyright, ethics, creator protection, and industrial order. Policy support is being strengthened to respond to these changes and lead the global market.

The Role of the Korea Creative Content Agency

The South Korean government’s content industry support policies are primarily advanced through the Korea Creative Content Agency (KOCCA), its implementing body. KOCCA is a public institution established to promote South Korea’s content industry and operates under the Ministry of Culture, Sports and Tourism. It was established in 2009 through the integration of previous agencies related to broadcasting, games, and cultural content.

KOCCA supports a wide range of fields including broadcasting, games, music, animation, characters, fashion, comics/webtoons, media art, AR/VR/XR, and generative AI-based content. While the Korean Film Council handles the film industry, KOCCA plays a central role in promoting the development of many other content sectors. Its primary functions include supporting creation and production, assisting overseas expansion, fostering talent, conducting research and development, and operating corporate support programs.

In recent years, KOCCA has been expanding its global network to support Korean content companies’ overseas expansion. Currently operating 28 overseas offices in major global regions, it provides market intelligence, facilitates business matching, builds cooperative networks, supports trade show participation, and conducts local PR. These overseas offices serve not merely as information hubs but as vital connectors linking local market needs with Korean companies.

Through such support, KOCCA aims to fulfill its mission of “realizing a cultural powerhouse and contributing to national happiness through the promotion of the content industry” while striving to become a “global content partner leading Next K”. Indeed, for many SMEs seeking overseas expansion, the network and credibility offered by a public institution provide substantial support for market entry.

Achievements of Korean Content in the Global Market

While Japan’s content industry developed based on a strong domestic market, South Korea’s content industry grew by actively expanding into overseas markets from a relatively early stage. With a population roughly half that of Japan, South Korea faced limitations in expanding its industry solely through its domestic market, making overseas market development essential. This structural condition can be said to have instilled a strong international orientation in the South Korean content industry.

Since the 2000s, the emergence of global platforms like YouTube and Netflix created an environment where content could spread across borders. The Korean content industry responded proactively to this change. A prime example is K-Pop. In 2012, PSY’s “Gangnam Style” became a global hit, demonstrating K-Pop’s worldwide

potential. This song, which exploded in popularity through YouTube, marked a crucial turning point for the South Korean music industry.

Subsequently, BTS grew into a global cultural icon through its global fandom strategy. By leveraging YouTube and social media, they formed an international fan community and created a new fandom culture through translation and dissemination. What is noteworthy here is that the success of Korean content was not merely about supplying excellent works, but was also tied to relationship building with fans, community management, and participatory culture in the digital age.

Furthermore, Korean dramas, including “Squid Game”, are watched worldwide via OTT platforms and have established themselves as global hit content. Korean companies and creators are also actively operating in the global market across various fields such as games and webtoons. In other words, the international competitiveness of Korean content is not a phenomenon confined to a single genre; its defining characteristic is that it is being formed simultaneously across multiple fields.

Global Fandom & Content Ecosystem

One characteristic of Korean content is that it goes beyond mere export of works to significantly influence the formation of global fandom culture. In traditional cultural industries, content was transmitted unidirectionally from producers to consumers. However, with the expansion of digital platforms, fans have become active participants in disseminating and interpreting content, rather than just passive consumers.

The K-Pop fandom is a prime example. Fans not only share content via social media and video platforms but also reinterpret and disseminate it through translations, commentary, reaction videos, and fan-created works. These spontaneous fandom activities surpass the speed and reach of corporate advertising and promotion alone, becoming a crucial element driving the global spread of content.

The Korean content industry recognizes this fandom culture not merely as a marketing tool, but as an integral part of the content ecosystem. The structure where artists and fans mutually communicate and co-create culture represents a key competitive advantage of Korean content. In future global markets, alongside the quality of the content itself, the ability to sustainably build relationships with fans will become increasingly crucial.

Next K & the Potential for Japan-Korea Content Collaboration

Amidst this trend, the strategy presented by the Korean content industry is “Next K”. This concept outlines the direction the industry should take moving forward. Until now, K-content primarily followed the “Made in Korea” model, where finished content produced in South Korea was sold overseas. However, the core of the “Next K” strategy is a shift towards a “Made with Korea” approach, where global partners collaborate across the entire content value chain – including planning, production, and distribution. This means moving away from Korean companies independently leading all production stages, and collaborating instead with overseas production

companies, platforms, and creators to produce content jointly targeting the global market.

Formats involving production teams with local cultural and linguistic understanding, as well as collaborations among creators and artists of diverse nationalities, are expected to expand further. The global market demands more complex cooperation models beyond simple exports, including co-production, joint investment, shared IP development, and talent exchange. These changes not only bring new growth opportunities to South Korea’s content industry but also open possibilities for creating new markets for partner countries.

Amid these shifts, Japan stands as a crucial partner. South Korea excels in K-Pop and visual content, while Japan possesses global competitiveness in animation and character industries. Combining these strengths could yield greater influence in the global cultural market. Furthermore, Japan boasts a rich accumulation of IP and a mature fan culture, while South Korea demonstrates adaptability to digital platforms and high mobility in overseas markets. This complementarity is significant.

Japan-Korea Content Cooperation Platform Starting in Tokyo

I believe Tokyo is a crucial location for realizing such collaborative potential. The content industries of South Korea and Japan have long built exchanges and cooperation across various fields. Mutual understanding of each other’s cultures is relatively high, and the fact that many tourists traveling between the two countries are young people is a factor that further expands the potential for future cultural exchange and industrial cooperation.

At the Korea Creative Content Agency Tokyo Business Center, with which I am affiliated, we are working to build a platform where Korean and Japanese content companies and creators can meet and collaborate. By creating opportunities for companies and creators to share ideas and discuss joint projects, we aim to foster sustainable cooperative relationships between the two countries. This initiative goes beyond one-off events; it seeks to establish a foundation for companies and creators to build long-term trust and generate new businesses and works.

Expanding such exchanges and cooperation is also the process of concretely implementing the “Next K” strategy on the ground. When South Korea and Japan move beyond the framework of competition and engage from a perspective of cooperation, their content industries can leverage each other’s strengths to create new value.

Content serves as soft power connecting nations while also functioning as an industry supporting mutual growth. Should cooperation between Japan and South Korea deepen further, the content industries of both countries will play an increasingly significant role not only in Asia but also in the global cultural market.

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