**A Study on the Trade Policy of Cultural Services**

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**1. Introduction**

Korean wave, which began with Korean dramas, is now leading to the global trend of BTS. This raises the preference of Korean culture abroad and elevates the country's national brand. Concepts such as 'soft power' and 'Gross National Cool'[[1]](#footnote-1) are being circulated to reflect on the social recognition of the influence of cultural services, namely the importance of cultural power.

The global content industry is estimated to be worth about $2 trillion, surpassing automobiles (1.3 trillion dollars) and IT (900 billion dollars), and is expected to grow at an annual average of 4.2 percent. Korea's content industry has 105 trillion won (5 percent growth) in sales and 6.6 trillion won (6 billion dollars, 7 percent growth) in exports, the seventh-largest market in the world. In particular, overseas exports of Korean Wave content such as movies, dramas, and K-POPs are highly related to other industries, leading to exports of consumer goods such as food, home appliances, and automobiles. [[2]](#footnote-2)

In the past, products such as agricultural products, semiconductors, and automobiles used to be major targets of commerce, but now the importance of foreign investment, service market opening, and intellectual property rights are being highlighted. This is because advanced countries such as the U.S., U.K., Japan and others are taking the lead in global trade as they are centered on services such as finance, IT, media and education, as they gradually reduce the portion of manufacturing industries. Korea is also increasing its service trade volume, but the service account deficit has continued due to the increase in overseas travel and the slump in the shipping industry.

Figure 1. Current Status of Service Trade in Korea (‘10~‘16/ a million dollars)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| **Balance** | **-143** | **-122** | **-52** | **-65** | **-37** | **-149** | **-177** |
| Income | 832 | 909 | 1,035 | 1,037 | 1,121 | 977 | 949 |
| Expenditure | 975 | 1,031 | 1,087 | 1,102 | 1,158 | 1,126 | 1,126 |

While South Korea's service account deficit continues, the surplus in the culture service sector such as games and video has been increasing since 2013 due to the expansion of overseas exports.

Figure 2. Current Status of Trade in Intellectual Property Rights in Korea(‘10~‘16/ a million dollars)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| the trade balance of the intellectual property | -67.0 | -33.8 | -48.0 | -53.4 | -45.3 | -40.0 | -19.1 |
| patent and industrial property rights | -54.8 | -23.4 | -42.7 | -51.2 | -48.2 | -34.4 | -24.0 |
| **copyright** | -8.8 | -5.0 | -2.7 | 0.2 | 6.4 | 6.8 | 7.1 |
| Other intellectual property rights | -3.4 | -5.5 | -2.6 | -2.3 | -3.5 | -12.4 | -2.3 |

Continued surpluses in the software sector, including games, and export expansion in the music and video sectors, including the K-POP, are contributing to the reduction in the overall service trade deficit.

\* SW fields such as games: ('10) -$1.0 billion → ('13) +8.3 billion → ('16) + $1 billion   
\* Fields such as music and video : ('10) -7.8 billion → ('13) -8.1 billion → ('16) -2.9 billion.

As the competitiveness of contents increases, the portion of cultural services in actual service trade negotiations is gradually increasing.

The U.S. and Japan are representative countries that actively open their cultural services through WTO or FTA, and the export of contents to the two countries is $2.27 billion, accounting for 41.6 percent of the total exports ($6 billion). Meanwhile, exports to China (1.45 billion dollars, 26.6 percent) and Southeast Asia (800 million dollars, 14.6 percent) are expected to reach 2.25 billion dollars, 41.2 percent of total exports, with the share of exports gradually rising.

In terms of market opening, U.S. and Japan opened up the cultural service sector in trade negotiations, and thus secured a stable export network of contents. On the other hand, China and Southeast Asia rarely open up the cultural service sector, which can be assessed as a market with great export instability. While policies to enhance the competitiveness of Korean contents and support entry into the market for multiple changes are important to stabilize overseas exports of contents, it is very important to make efforts to secure market opening with China and Southeast Asia.

**2. A Preceding Study for Cultural Service Trade**

**2-1. Country of Origin Effect and Halo Effect**

Country of Origin Effect refers to the effect of the image and information of the country in which the product is manufactured on the purchasing behavior of consumers who want to buy the product. Nagashima (1970) defines the origin effect as the mental, reputation and stereo type that businessmen and consumers assign to products in a specific country. This attitude toward origin has been shown to be influenced by national image, familiarity and distribution. That is, the better the national image, the more familiar it is, the more it is on the market, the more favorable it is to mark the country's origin (Bilkey, W. J. & Erik N., 1982; Bang Suk-bum, 1997). [[3]](#footnote-3) The effect of origin is not limited to the so-called manufacturing country, i.e. where it is produced, and can be affected through the enterprise or brand. Therefore, the effect of origin directly affects the evaluation of consumers' products, but also indirectly through the companies or brands of companies selling the products. Applying the above information to Korean dramas and movies, for example, could increase the level of awareness among Chinese consumers about products related to Korean wave and affect their purchasing attitude and behavior. Products featuring Korean wave stars as advertising models, products exposed to Korean wave components (PPL), and Korean products (made in Korea), which are native to Korean wave, will be involved in the consumer cognitive process as a result of a country of origin effect.

Halo effect refers to a change in the overall evaluation of an object or person in general, due to one particular characteristic. Fiscaro and Lance (1990) put the halo effect into three categories.

First, the trends of evaluators to influence the assessment of the various characteristics of an individual or target (King, Hunter, & Schmidt, 1980), Second, the tendency of evaluators to influence the assessment of one significant characteristic of an individual or target on the assessment of the person or target's other non-significant characteristics (Anastasi, 1988),and defines it as an error by an evaluator that does not distinguish between conceptually clear and independent characteristics of an individual or an object (Saal, Downey,& Lahey, 1980).

According to the theory of origin effect and halo effect, the range of Korean wave components can be divided into content element and human element among popular culture. Content elements can be seen as dramas, movies, music and performances, while human factors can be seen as actors, movie stars, and singers of dramas. In addition to the tourism industry, the content-related industries are considered to include consumer products such as home appliances, mobile phones, computers, automobiles, household goods, clothing, cosmetics, food and beverage industries, and service industries such as plastic surgery.

**2-2. National Brand Concepts and Effects**

The national brand, i.e. the national image, serves as a halo or summary construct in relation to why the national image has an effect on consumer assessment. (Han 1989; 1991; Jafe & Nevenzahl 2006) The role of national image as a summary indicator is that if consumers are exposed to similar objects from a country after increasing familiarity with the object and experience has accumulated, the knowledge that they have previously formed will be applied directly to the evaluation of new objects. In Korea, there is generally a low level of international recognition, so among the above-mentioned national image effects, large disadvantages are expected to arise. Indeed, foreigners who have experienced Korea's major IT products that have increased their brand value globally can be said to have relatively low disadvantages due to summary indicators. However, in the case of foreign countries that have had unfavorable experiences with Korea, there may be disadvantages based on summary indicators. The national brand may affect the image of the country's exports. This is because consumers tend to evaluate a country's products based on their country of origin rather than on the nature of the product, with the so-called country of origin effect. The country of origin is not limited to the country of manufacture, and the image of the company's home country can also influence product evaluation. In addition to the image of the nation's exports, the national brand also affects the creditworthiness of companies, attracting foreign capital, foreign trade and diplomatic relations, and the choice of tourist destinations.

**3. Analysis of Major Korean wave Content Consumer Countries (China, Southeast Asia (Indonesia, Vietnam))**

As described, major industrialized countries are gradually changing the economic environment, centering on the service sector, while reducing the share of manufacturing. Korea is also expected to see its economic environment change in the future, focusing on the service sector.

China and Southeast Asia, where Korean wave content such as dramas, music and movies consumes a lot, are important markets for our content exports. To expand the trade of cultural services, analyzing the market and distribution environment for major Korean wave content exporters is also very meaningful in setting the direction of future policies. Here, analyze China, Indonesia, and Vietnam, the major consumers of Korean content.

**3-1. China**

The Chinese cultural content market is a market that can never be abandoned for us as a resource-poor country, and in the meantime our cultural content industry has made a big profit by creating Korean wave craze in the Chinese market. The Korean wave craze in China has attracted a large number of Chinese tourists, so-called Youke, to South Korea, which has consequently become an important driver of the country's economic development. However, the Chinese government issued a law that bans Korean culture in China in retaliation for Seoul's THAAD deployment, and the status of Korean content in China has plummeted. Thus, a number of Korean cultural entertainment companies are now paying keen attention to when a second Korean wave will be possible in China or when a law that bans Korean culture in China will be completely lifted. In March, the Chinese government reformed the ministry in charge of cultural contents in China as part of the reform of the party-government. China is tightening its restrictions on the cultural content industry day after day, and even if a law that bans Korean culture in China is lifted completely, exports of Korean content to China and its success in China are expected to be more difficult than ever before.

**3-1-1. Recent Policy Trends in Cultural Industry**

China, which adopts a socialist system, tends to actively intervene in phenomena that the authorities deem to pose a threat to its social, cultural, industrial or political systems. In particular, the Chinese government is sensitive to social impacts and regulates the socially influential broadcasting contents Restrictions on games have also been tightened recently to solve the problem of game addiction among minors. China has recently tightened the censorship and regulation of overseas content. In the future, with the restructuring of the ruling-party and government organization, the central propaganda agency, which has emerged in full force, has jurisdiction over contents such as broadcasting, movies and games. It seems likely that Korean content will be more difficult to export to China and succeed in the Chinese market.

But while China's regulations are important, what is more important is whether we can continue to produce diverse and quality content. In recent years, the level of production on of some content, such as broadcasting and games, has increased dramatically in recent years, and Chinese people are spending a lot of money on content consumption in order to enjoy quality content. This means that the traditional business model of "advertising + using free content" is being changed to a new one called "superior content + paying viewing." Three basic reasons for the increase in paid consumption are "increase in the income of residents," "dissemination of convenient mobile payment methods such as development of the fin-tech industry," and "production of quality contents." In addition, in order to enjoy cultural entertainment in the future, Chinese consumption expenditure will increase, and the number of paid members will also increase significantly.

What is drawing attention is that unlike in the past, Chinese-made contents are gaining huge popularity. Quality content has been pouring in from areas such as web movies and web dramas every day, and some of them have been successful in overseas advancement, while receiving positive reviews from abroad.

**3-1-2. Implications**

Success in the Chinese market is becoming increasingly difficult, but we must continue to create a good human network while continuing to maintain our relations with various content companies and platforms in China. It may consider a bypass strategy of distributing content through Chinese countries such as Hong Kong and Taiwan. The need to open new markets by diversifying regions and countries, such as exports to markets where the Korean Wave has recently been spotlighted, including Southeast Asia, is now higher than ever. In particular, it is necessary to secure stable consumers in many countries around the world and not in specific countries through differentiated contents unique to Korea. In addition, new business models using IP of contents rather than specific contents are emerging in China. Accordingly, we also need to be interested in fostering superior IP over direct export of content.

**3-2. Indonesia**

Since the early 2000s when Korean dramas were first aired in Indonesia, Korean wave has spread to all sectors of the cultural content industry. The influence of Korean wave can be found in areas such as music, movies, entertainment programs, online games, animations, publications and characters. According to a report by the Korea International Culture Exchange Agency (2018), the spread of the Korean Wave results in a rise in favor of Korea. Indonesia ranked third among 16 countries surveyed based on the Korean wave status index. Indonesia topped the list of countries surveyed in terms of learning Hangul, experiencing traditional culture, intent to visit Korea and willingness to purchase Korean mobile phones. The number of Indonesian visitors to Korea showed a surge in the number of visitors to the country around 2010, when the spread of the Korean wave accelerated. The number of inbound visitors, which stood at 50,000 in 2009, exceeded 100,000 in 2012 and 200,000 in 2014, and neared 300,000 in 2016. Indonesia, a population of some 260 million, is the country with the largest political and economic influence in Southeast Asia. The Indonesian content market continues to expand steadily as insufficient information and communication infrastructure is gradually being equipped. According to a report by the Korea Creative Content Agency (2018), the Indonesian content market jumped from $8 billion in 2012 to $16 billion in 2017. It ranks among the top 18 globally and is the largest in Southeast Asia. Indonesia's Internet users exceeded 100 million in 2017, but the smartphone penetration rate is still around 25 percent, which implies infinite growth potential.

The size of the middle class has steadily expanded and the purchasing power of cultural content has also continued to grow as economic growth of more than 5 percent in the 2010s continues. The Indonesian government strongly expressed its willingness to foster the cultural content industry as a strategic industry for the future and established the Ministry of Creative Economy in 2015. In order to promote the cultural industry, the government took active steps to gain foreign support. This resulted in the expansion of foreign investment in the film industry and the information and communication industry in 2016. Considering Korea's acceptance of cultural content, its favorable attitude toward Korea and its willingness to foster the cultural content industry, Indonesia could be set as a major target country for expanding the Korean Wave. Despite the high popularity of the Korean Wave and Korea, the Korean Wave has been stagnant in certain areas. In particular, the decline in public influence over Korean dramas and movies seems to be noticeable. A review of the current situation of Korean wave is expected to be necessary amid its relevance to the Indonesian government's cultural content policy.

**3-2-1. Recent Policy Trends in Cultural Industry**

As seen in the creation of the Ministry of Creative Economy, the Indonesian government is vowing an active commitment to fostering the cultural content industry. This suggests that the policy direction has shifted in part from the regulation-centered policy to the expansion of the infrastructure to support the development of the content industry. The government's commitment to fostering the cultural industry was visible in 2016 with its policy to expand areas for foreign investment. In the film industry, the previous 49 percent allowed foreign investment has been raised to 100 percent. Foreign companies were allowed to own 100 percent capital in studio shooting, photo lab, dubbing, copying, filming, editing, subtitling, production, recording and dissemination. The ratio of allowing foreign investment in such areas as arts box office services, karaoke rooms, meetings and exhibitions, hotels and travel was raised to 67 percent from 49-51 percent. On the other hand, with an open attitude in the creative economy, nationalistic attitudes are also showing a trend of strengthening. The Indonesian government has set the ultimate goal of developing the cultural content industry through fostering its own human resources and capital. There seems to be a strong attitude to caution that the indiscriminate influx of external influences could damage religious and cultural values, and that the development of the domestic content industry at its infancy stage could be hampered.

The nationalistic tendency shared among opinion-driven groups tends to tighten control and censorship of content. In line with the trend of Islamization in Indonesian society, censorship and control regarding sexual materials are being strengthened. Censorship and control related to topics traditionally taboo in Indonesian society, namely, SARA (relationships between ethnic, religious, ethnic and group), are being strengthened. Private companies are also tightening self-regulation in line with the growing trend of censorship.

**3-2-2. Implications**

Coexistence of open and nationalistic attitudes as a policy keynote for the cultural content industry sector is expected to continue. In the cultural contents industry, openness to foreign capital is expected to continue to expand the field of foreign investment. The censorship and control of the cultural content industry are also expected to be strengthened amid the overall trend of Islamization in Indonesian society. Considering that the influence of radical Islamist groups on the formation of public opinion is being maintained and their application is also expanding, it is expected that their views on cultural content will have a major impact on government policy decisions.

**3-3. Vietnam**

Vietnam's content market is expected to grow to $4.87 billion by 2021, recording about $3.3 billion (an annual average growth rate of 8.0 percent) as of 2016. Compared to the global content industry, which has an average annual growth rate of 4 percent, the Vietnamese content industry is showing twice as fast growth. The use of content through digital platforms is increasing in line with the expansion of smartphone penetration and the conversion of digital broadcasting. The potential for content consumption is assessed to be high due to the size of the population close to 100 million and the fact that people under 24 account for about 40 percent of them, and the increase in disposable income resulting from rapid economic growth of more than 6.0 percent since 2014, and the increase in the middle class population. [[4]](#footnote-4)

Figure3. Vietnam's Economic Growth Rate (2010-2017)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| % | 6.4 | 6.2 | 5.2 | 5.4 | 6.0 | 6.7 | 6.2 | 6.8 |
| DATA: World Bank Data. | | | | | | | | |

Figure4. Population Ratio by Age (2017)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Age range | 0-14 yrs old | 15-24 yrs old | 25-54 yrs old | 55-64 yrs old | 65 yrs old or older | sum |
| ratio (%) | 23.55 | 16.23 | 45.56 | 8.55 | 6.12 | 100.00 |
| 자료: CIA World Fact Book (2017). | | | | | | |

Among Southeast Asian countries, Vietnam is the earliest known region for the spread of the Korean wave, and the history of Korean wave can be largely divided into four stages. The first phase corresponds to the "birthday" from the mid- to late 1990s to 2000, mainly led by dramas. The second phase corresponds to the "growth and control" period from 2000 to 2005, and can be seen as a golden age for Korean dramas and the timing of the influx of Korean music. The third phase corresponds to the “Korean Wave Re-up” from 2006 to 2012, and K-Pop has enjoyed great popularity, and K-Products' consumer group has been formed around K-Hardware. The fourth stage is equivalent to the current "Korean Wave Deepening Period" based on Psy's "Gangnam Style" craze in 2012, and K-Style and K-Culture's Korean wave content, including Korean tourism, performances, broadcasting, movies, literature, Korean language and characters, are expanding in many ways. At a time when Korean wave is routinely consumed by Vietnamese in many ways, new forms of content and the social atmosphere of anti-Korean wave also coexist. The discourse of anti-Korean sentiment online stems from antipathy toward K-Pop enthusiasts and problems with the quality of Korean content itself. [[5]](#footnote-5)

**3-3-1. Recent Policy Trends in Cultural Industry**

Since joining the WTO in 2007, Vietnam has implemented various policies for trade liberalization and integration into the international economy along with domestic reforms, including the signing of the Korea-ASEAN FTA and the Korea-Vietnam FTA. But it strictly controls cultural and artistic activities that undermine Communist, national and ethnic values for the sake of political and social stability. The level of market opening to the cultural sector cannot be considered high, and foreign businesses are restricted by various domestic regulations when entering the Vietnamese market. In the "2016-2020 Social and Economic Development Plan," Vietnam's cultural policy stresses that "economic development and harmony" should be achieved, but strictly prohibits the distribution of acts and information undermining the values of the Party, the state and the Vietnamese people.

In 2016, Vietnam announced a master plan on "Strategies for Promotion of Vietnam's Cultural Industry and 2030 Vision" in order to expand its cultural infrastructure and promote its culture. Interest in fostering the country's cultural industry has recently increased in order to secure momentum for sustainable growth based on more than 6 percent economic growth. However, through strict regulations on foreign investment, the government has maintained a protectionist policy to maintain its identity or system. Under the socialist system, Vietnamese society has a fairly high level of effort to defend its traditional cultural values, and the production, publication and dissemination of radio, TV broadcasting and cultural products among the content industries is in the restricted area of investment (conditional business areas on foreign investment). The government's regulations on broadcasting and cultural content are being laid out on a foundation to preserve traditional values and stabilize society, and all programs are being broadcast after being directly censored by the Communist Party and the government. Various restrictions are in place to protect the domestic industry, such as broadcast ratio of Vietnamese films in broadcasting (at least 30%, time zone regulations), number of foreign channels (less than 30% of paid channels), prohibition of co-production of news and political programs, restriction of foreign shares in foreign joint films (legal capital) (A 51% of the country's government), prime ministers' licenses for imported TV programs, and annual restrictions on the number of imported films (enforcement decree). The Prime Minister has the authority to make decisions on foreign-induced projects and related regulations related to the media and broadcasting, including culture, publications, newspapers, radio and television.

**3-3-2. Implications**

Based on the understanding of the cultural characteristics of Vietnam and Vietnamese people, it is necessary to establish policies on the development of Korean Wave contents based on the perspective of glocalization (global+local) and cooperation with Vietnam.

If Korean culture has been unilaterally introduced to Vietnam, Korean Wave content needs to understand and respect Vietnamese cultural heritage, stories, history, cultural values, and tastes of Vietnamese people. Consideration of Vietnam's economic development and openness in joint production and investment is also important, but cultural characteristics need to be taken into account. The Vietnamese have very proud characteristics due to their colonial rule, the history of war, and the experience of winning all wars, and place great importance on the human relationship of solving things through personal connections and social relationships. Based on the understanding of Vietnamese culture, it is necessary to relax the social atmosphere of anti-Korean Wave. In the future, it is necessary to open up the local market by enhancing the national image and the image of Korean companies based on the combination of Korean technology and trends on the local cultural foundation.

1. **Conclusion**

Earlier, we discussed the importance of cultural service commerce and drew up implications through analysis of the content markets and the content industries in China, Indonesia and Vietnam, which hold important positions in the Korean cultural service market. The Ministry of Culture, Sports and Tourism plays the role of the ministry in charge of cultural services. Diagnose about the trade of cultural services within the Ministry of Culture, Sports and Tourism, try to draw up a direction for future improvements.

**4-1. Trade Business System of the Ministry of Culture, Sports and Tourism**

The Ministry of Culture, Sports and Tourism conducts business procedures in the following order: ① Market analysis and regulation before negotiation, ② Participation and response in negotiations (5 departments: services, investments, intellectual property, cooperation, goods) ③ Domestic implementation ④ Performance inspection and improvement. It will focus on the division of service and investment in the areas of FTA negotiations and the division of intellectual property rights. In recent FTAs with developing countries, the Korean government has called on the other countries to negotiate a broad market opening of cultural services and reflect high levels of copyright protection. After concluding the deal, the government shares the results of negotiations with the officials in charge of business affairs within the Ministry of Culture, Sports and Tourism, including in the field of opening partner country, and hold discussions on strategies to advance into foreign countries.

**4-2. Diagnosis**

1. **Absence of Influence Evaluation Model for Cultural Services**

Once the government decides to push for FTA, it will collect opinions from related ministries in each field, including goods, investment, services and intellectual property rights, with the Ministry of Trade, Industry and Energy at the center to come up with countermeasures such as selecting the priority required by the other country. Although the weight of cultural services such as games has been emphasized recently, there is no economic impact assessment model for exporting cultural services, so it tends to lag behind that of commodities such as rice market protection and automobile tariff reduction.

1. **Lack of market analysis capability for negotiating countries**

The Ministry of Culture, Sports and Tourism will prepare a strategy to respond to the FTA by collecting opinions from research services and industry experts. Research services tend to be focused on externally published data analysis, and collecting opinions from industries is sometimes difficult to assess objectively.

1. **Unfinished government-related agencies-Unified Trade Cooperation System among Industry**

The Culture, Sports and Tourism Ministry is sharing the trade status with the industry through the operation of the Council on Culture-Trade, and preparing a negotiation strategy by identifying difficulties in the industry. However, it is difficult to grasp the status of the industry as a whole as a meeting organized by the copyright bureau in charge of copyright business and to obtain experts, and questions are raised about the responsibilities and continuity of the association.

**4-3. Direction of improvement**

1. **Objective Evaluation of Contribution of Content to the Economy through the Development of Influence Evaluation Model for Cultural Service**

Unlike products, the cultural service sector is intangible and it is difficult to mathematically infer the economic effects of the opening of markets in the other country and the associated effects on industrial goods and other service industries. However, in order to maximize the effects of the FTA through comparative forms with goods and to strategically improve the content sector, the government needs to develop a culture service impact assessment model that is linked to market analysis functions. Currently, an impact assessment is carried out in each content sector after concluding an FTA as necessary, but it is necessary to calculate the economic effects on exports, employment, and other industries as well as the contents sector before and after the FTA negotiations.

1. **Gain comprehensive objective content market data through enhanced market analysis capabilities**

Based on collecting opinions on research services, it is necessary to strengthen market analysis functions that can link the FTA partners' cultural backgrounds, regulatory and economic analysis, level of cooperation in the private sector, and business model after concluding the FTA. In particular, China, Japan, and Southeast Asia account for 70 percent of Korea's content exports, which requires continuous follow-up management even after the FTA is concluded. In addition, the Eurasia and South America regions also need to analyze the status of the Korean Wave and its sustainability.

1. **Support the content industry's overseas expansion strategy through regional and sector-specific network expansion**

Since the bilateral and multilateral FTA negotiations that are conducted concurrently have different effects (market opening levels) for each FTA channel, it is necessary to provide accurate trade status information so that the industry can differentiate its entry strategy by region. On the contrary, from the industry it is necessary to collect comprehensive information on the issues that are subject to trade negotiations, such as the possibility of establishing a corporation, the remittance and visa issuance procedures, as well as the core cultural regulations of the region. And it should reflect that in its negotiating strategy. It is necessary to expand the number of experts in contents, regional experts on FTA channels, trade norms and market analysis, and expand and operate cultural and trade councils currently in operation to regular consultative bodies.

1. **Enhancing the effectiveness of the overseas advancement policy by strengthening the cooperative system among departments**

Although cultural service sector needs to be linked to market analysis with the department concerned, industry status, strategy, etc., the department in charge has a high proportion of the department's unique work, such as content production, delivery, and promotion support.

In particular, the overseas expansion of cultural services such as contents, tourism and other cultural services cannot be stabilized without opening the market through FTA, so it is necessary to enhance the effectiveness of the overseas advancement policy by linking the unique tasks and trade affairs of the concerned departments.

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1. GNC stands for Gross National Cool, which can be understood as 'national culture' or 'national culture total attractiveness'. It means the charm or power of a unique culture that only the people of a particular country have. [↑](#footnote-ref-1)
2. $100 for cultural product exports will drive $230 for consumer goods exports (Export Bank, 2016) [↑](#footnote-ref-2)
3. Bilkey, W. J. & Erik N., 1982; Bang Suk-bum, 1997 [↑](#footnote-ref-3)
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