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Korean tsunami: Lessons for RP's film industry

By Eduardo A. Morato
Inquirer
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THE sky is falling! The Philippine film industry is dying!

Ticket sales in Metro Manila dropped from 30 million in 1997 to only 15 million in 2001. Nationwide, local films had sales of P1.2 billion in 1997 but only P981 million in 2001. Film industry experts direly project film production to drop from 100 or so films in 2001 to only 30 films in 2006. The culprits they blame are heavy taxation, lower quality films, piracy and other entertainment options.

In contrast to the Philippine apologia is the curious upsurge of the "Korean Tsunami" or the wave of South Korean films, TV drama series and music flooding Asia. TV program exports hit \$37.5 million in 2003. Korean films and telenovelas inundated China, Taiwan, and other countries of East Asia.

In the Korean market, local films catapulted from 21 percent market share in 1995 to 48 percent in 2002. Perhaps, the Philippine film industry can learn a lesson or two from the Korean Tsunami.

When Korea adopted liberalization policies and allowed the direct distribution of foreign films in 1987, a prolonged recession snagged the industry. There were similar lamentations in Korea that their film industry was dying. Proof of this is the number of Korean films dropping from 121 in 1991 to only 65 films in 1995. Ticket sales plummeted from 11 million to 9.4 million. In the same period, foreign films grew from 258 to 322, capturing a market share of 79 percent.

Against this backdrop, South Koreans were beginning to enjoy their new-found wealth from decades-long of hard work and successful industrialization. They sought better lifestyles and embraced the bliss of self-actualization, art and culture. In 1993, when pundits thought that there was no hope for Korean films, the movie "Sopyonje" surprisingly topped the box office with a million admissions, the first Korean film ever to do so.

In 1994, a government study recommended to the Korean president that media production should become a national strategic industry because of its potential contribution to the country's economy. As an argument, the study proclaimed that the foreign sales of the Hollywood blockbuster, "Jurassic Park," earned the

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equivalent of 1.5 million Hyundai cars, then Korea's pride and joy.

The Korean president established the Cultural Industry Bureau in 1994 and passed the Motion Picture Promotion Law in 1995, to entice big businesses to gamble on the Korean film industry. (Source: Doobo Shim, NUS, 2006)

Korean chaebols or large family-owned conglomerates responded to their national "duty and responsibility to export Korean films overseas," similar to their industrialization drives from the 1960s to the 1980s. Samsung, Hyundai and Daewoo were among the many who invested in the local media sector, bucking a long-term trend of industrial exports.

But the Asian financial crisis of 1997 abruptly curtailed the participation of the chaebols under strict IMF instructions. The chaebols' involvement nevertheless turned out to be a much needed "workout" intervention. The chaebols introduced sophisticated management approaches like audience and market research, state-of-the-art technology applications, better investment screening methods, and systematic production processes.

Script writing and countless revisions, along with very rigorous and robust filmmaking and editing became the norm. MBAs and top-notch university graduates were attracted to the decent pay and lifetime employment opportunities offered by non-traditional and creative Korean industries. Many stayed on even after the chaebols left when venture capital firms entered the scene. (Shim, 2001)

The Korean Tsunami in the entertainment industry began in 1997 when a Korean drama series, "What is Love all About?" overwhelmed the China market. Perhaps energized by this, the new president, Kim Dae-jung, dubbed himself "President of Culture" in 1998.

The following year, the Basic Law for Cultural Industry Promotion was promulgated. A handsome budget of \$148.5 billion was allocated to President Kim's project. A number of international film festivals mushroomed in South Korea. The budget for the cultural sector increased from 485 billion won in 1998 (0.6 percent of the total budget) to 1,282 billion won (1.15 percent).

In 1999, another Korean TV series, "Stars in My Heart," swept China and Taiwan. From here on, the Korean Tsunami rampaged across Asia, reaching Hong Kong, Vietnam, Singapore, Indonesia and the Philippines. **In the same year, the Korean action thriller, "Shiri," captivated 5.8 million moviegoers, surpassing "Titanic" in Korea. In 2001, another film, "Friend," sold 8.2 million tickets nationwide. (Leong, 2003)**

South Korean telenovelas have been shaping the image of Korean men and women throughout Asia. Tourists by the hundreds of thousands make the pilgrimage to Seoul to see their idols. Export revenues from the creative industries are skyrocketing. In the local front, the number of Korean films climbed from 65 in 1996 to 77 in 2002. Ticket sales zoomed from 9.8 million to 50.8 million – 50 percent of the market from 21 percent a decade back.

So what are the lessons for the Philippine film industry?

Definitely, an enabling and empowering political, economic and social environment helps. But laws and audience development can only go so far. Without determined government effort to make the creative industries of film, TV and music a national strategy (with the corresponding public budget support) and the huge patronage of big business, Korea may never have taken Asia by storm.

Attracting large investors is certainly a boon, but big business added to the formula. They introduced no-nonsense management approaches and put the creative industries through the same meticulous processes as their other business investments. Better scripts, better actors, better directors, better technicians, and better marketing provided the groundswell that produced the Korean Tsunami.

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