



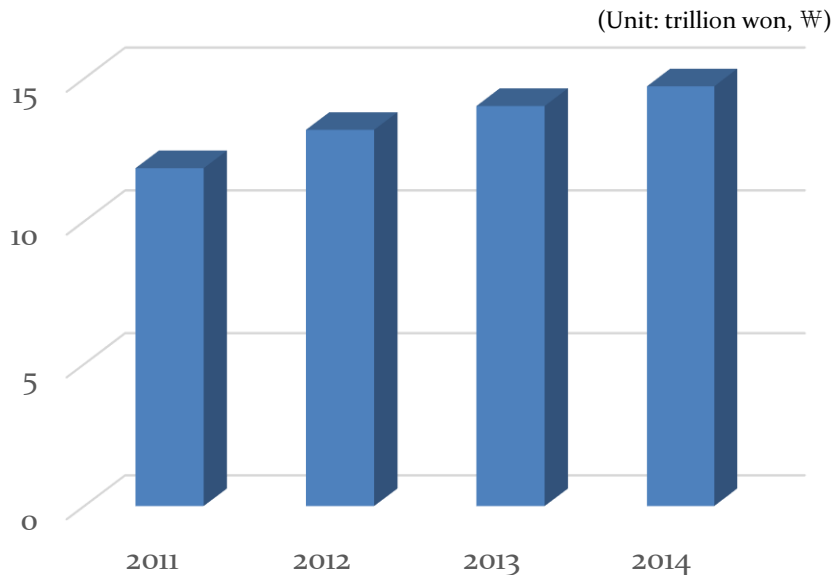
# Current Status of Korea Co-Production Agreements and Related Laws & Regulations

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# Overview of Korea's Broadcasting Industry

## ◆ Broadcasting Business in Sales and Programme Exports-Imports

### Broadcasting Biz Sales (2011-2014)



Note) 414 businesses including terrestrial broadcasters, terrestrial DMB operators (incl. terrestrial broadcasters), full-service cable television operators, relay-service cable operators, satellite television operators, programme providers, IPTV operators, etc.

### Programme Exports-Imports (2011-2014)



Note 1) Current status of program imports and exports by terrestrial broadcasters (incl. the sales of the 3 terrestrial broadcasters' subsidiaries) and program providers

Note 2) Includes broadcasting support for Koreans abroad, sale of videos/DVDs, time block, format, broadcasting programmes, etc.

# Overview of Korea's Broadcasting Industry

## ◆ Exports / Imports of Programmes by Country (2014) (Unit: 10,000 dollars)

01

Terrestrial

### Exports by Country



1. Japan (6,778)
2. Hong Kong (4,878)
3. China (4,321)
4. Taiwan (1,411)
5. Thailand (1,130)

### Imports by Country



1. US (203)
2. UK (188)
3. Hungary (27)
4. France (23)
5. Germany (23)

02

Programme  
Provider



1. China (1,372)
2. Japan (1,114)
3. Hong Kong (392)
4. US (376)
5. Thailand (339)

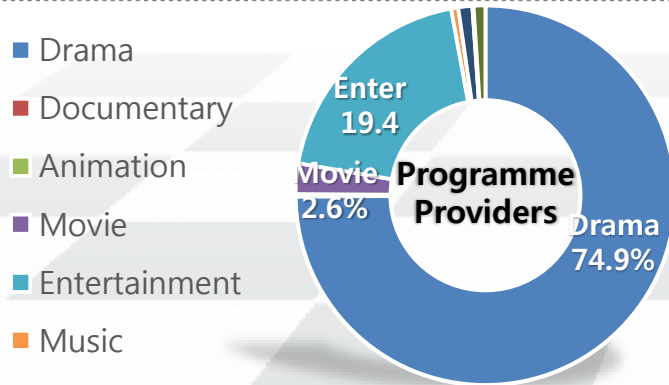
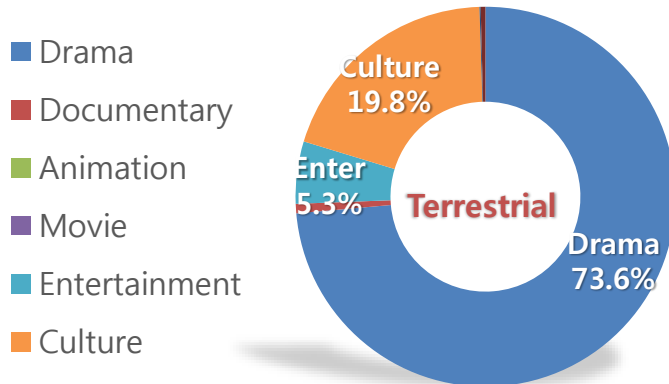


1. US (3,939)
2. Japan (800)
3. UK (128)
4. Singapore (110)
5. Holland (98)

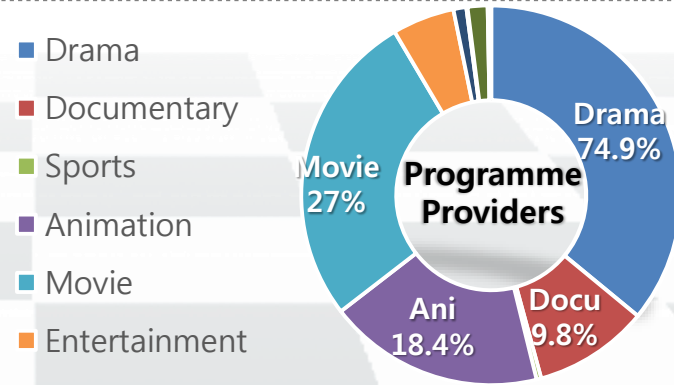
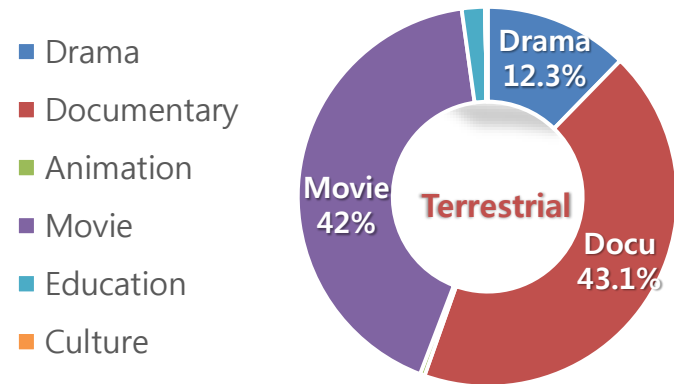
# Overview of Korea's Broadcasting Industry

## ◆ Programme Exports / Imports by Genre (2014)

### Exports



### Imports





# Analysis of Factors Conducive to Broadcasting Co-Production

## ➤ Regulation

- ◆ Mandates the programming of local content for purposes of promoting domestic production
- ◆ Quota system on content produced overseas
- ◆ Under Article 5, Paragraph 1, Subparagraph 2 of 「**Administrative Rules on Broadcasting Programming**」 , Co-produced programmes pursuant to a Co-production Agreement are acknowledged as domestic content

## Administrative Rules on Broadcasting Programming

### o Article 5, Paragraph 1, Subparagraph 2 of the Administrative Rules on Broadcasting Programming, etc.

#### Article 5 Domestic Broadcasting Programme Certification

① Korean broadcasting programme under Article 3, Paragraph 1 shall mean any of the following.

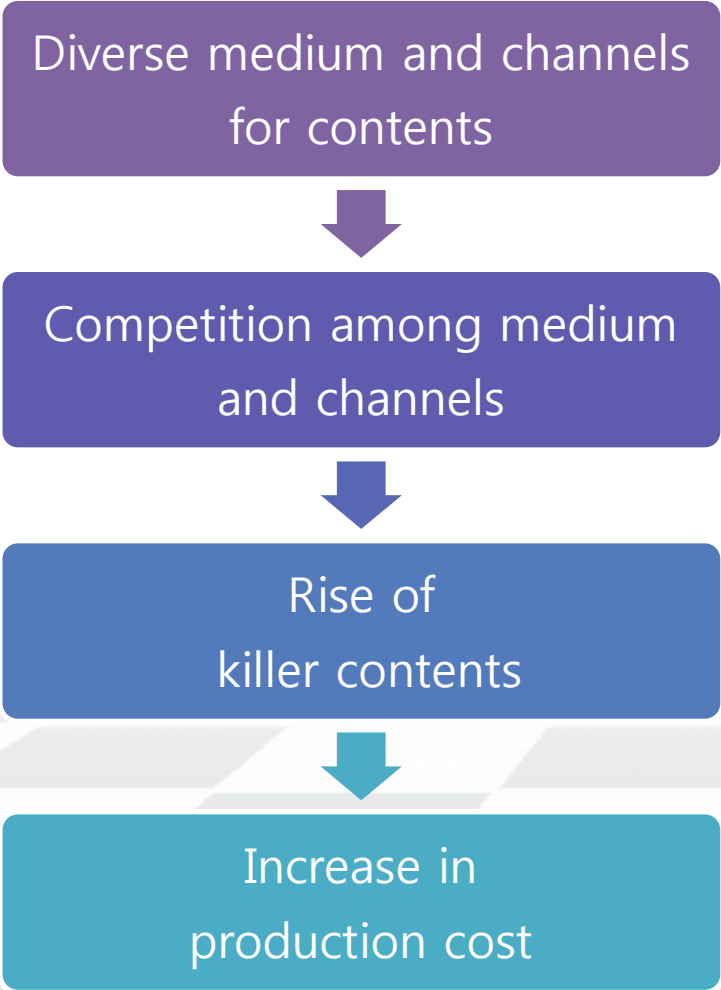
1. Broadcasting programmes for which 30/100 or more of the financial resources consumed in the production are provided by Korean nationals, including domestic corporations established by the Korean legislation and 50/100 or more of their shares or equities owned by Korean nationals, and satisfy the criteria set forth in Annex 1.

**2. Broadcasting programmes planned and produced in cooperation with a foreign national that are deemed as Korean programme pursuant to the co-production agreement between the Governments of Korea and another country.**

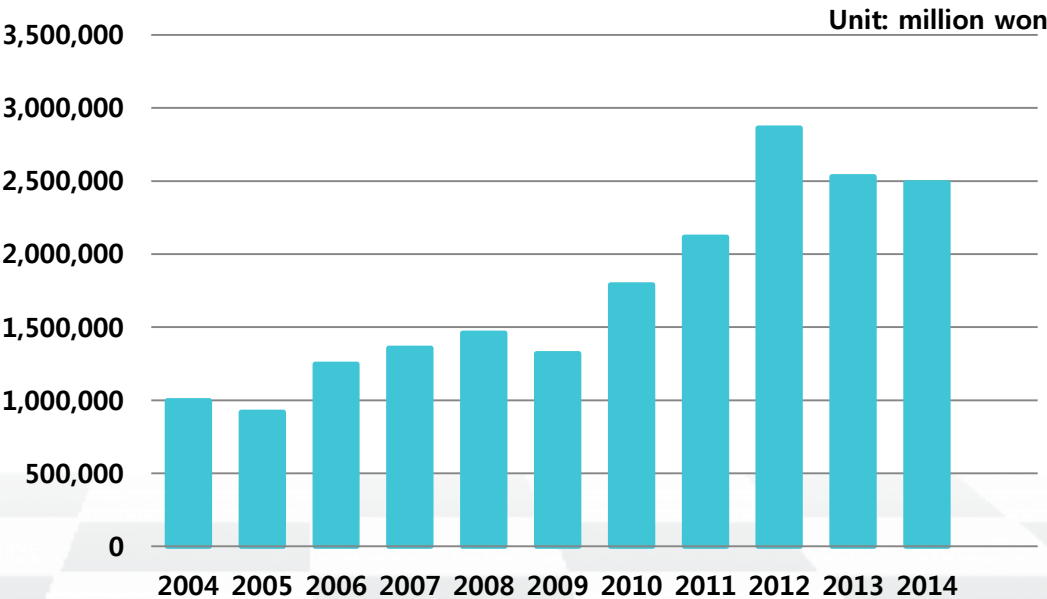


# Analysis of Factors Conducive to Broadcasting Co-Production

## ➤ Production Environment



Trends in Production Cost



※ Stats include terrestrial broadcasters and program providers.

Source: *Broadcasting Industry Fact Finding Reports for 2015*, the Ministry of Science, ICT and Future, and the Korea Communications Commission



# What is Co-Production?

## Definition

Co-productions are cooperative efforts where nationals of more than one country are involved in one or more of the tasks—financing, script-writing, preproduction, production, post-production, and distribution of television programming.

*Carla B. Johnson(1992), International Television Co-Production: From Access to Success, Focal Press, p.1.*



# Legal Features of Co-Productions



## Contract between Individuals

- ◆ Lack of institutional mechanism for conflicts
- ◆ No benefits such as subsidies and tax exemption

## Inter-governmental Treaty

- ◆ Complements what lacks in a contract among individuals
- ◆ Institutional mechanism for any conflict
- ◆ Benefits such as government subsidies, visas to production staff, and import of equipment







# Co-Productions in Korea

## Integral part of the FTA

- ◆ Korea did not put co-production on the MFN list during the Uruguay Round and thus must give the same benefits practically to all WTO member states if it signs a co-production agreement with one country. ⇒ **If the Co-production Agreement becomes integral part of the FTA, the MFN duty can be waived.**
- ◆ Therefore, to share the benefits with certain countries through a Co-production Agreement, **the Co-production Agreement must be an integral part of the FTA.**

## Status of Korea's Co-production

### ◆ Under Negotiation

- 2016. 3~ Korea- China (Audio-Visual/Television Programme) Co-Production
- 2016. 5~ Korea- Vietnam Television Programme Co-Production

### ◆ Co-production Agreements

- Korea- EFTA Broadcasting Programmes Co-Production('06.9)
- Korea- Singapore Broadcasting Programmes Co-Production('07.7)
- Korea- Cambodia Broadcasting Programmes Co-Production('09.10)
- Korea- EU Protocol on Cultural Cooperation('11.7)
- Korea- Australia Audiovisual Co-production('14.12)
- Korea- India Audiovisual Co-production('15.5)
- Korea- New Zealand Audiovisual Co-production('15.12)

# Components of Korea's Co-Production Agreements with Other Countries

Classification	Korea-Singapore	Korea-EFTA	Korea-Cambodia	Korea-India	Korea-EU	Korea-Australia	Korea-New Zealand	Korea-China (Movies)
Definition	○	○	○	○	○	○	○	○
Authorized Entities	○	○	○	○	○	○	○	○
Approval of Co-Production	○	○	○	○	○	○	○	○
Participation	○		○	○	○	○	○	○
3 <sup>rd</sup> Party Co-Production	○		○	○	○	○	○	○
Right to Benefits	○	○	○	○	○	○	○	○
Import of Equipment	○	○	○	○	○	○	○	○
Entry	○	○	○	○	○	○	○	○
Contribution	○	○	○	○	○	○	○	○
Balance	○		○		○	○		
Ownership		○						
Sound Track	○	○	○					
Language (Subtitling)		○	○				○	
Credit	○		○	○		○	○	
Dispute Settlement				○	○	○	○	
Distribution	○	○	○				○	○
Status of Annex	○		○			○	○	○
Amendments	○		○	○		○	○	○
Exports		○						
Entry into Force	○		○	○			○	○
Producing First Edition	○		○			○		
Filming (+Location)	○					○	○	○
Termination	○		○	○	○	○	○	○

# Government Support Program

- ◆ For purposes of promoting international exchanges, the Ministry of Science, ICT and Future Planning supports the production cost of programmes co-produced with Co-production Agreement signatories after going through the review process.

## Description of Business

Support cost for broadcasting programmes co-produced with the signatories' residents (and corporations)

※ **The chosen producer is given opportunities to participate in the events held abroad for promoting overseas distribution**

## Purposes of Support

Diversify the contents and overseas countries into which local broadcasters make inroads, thereby supporting the broadcasting industry's overseas expansion and the promotion of cultural diversity

Purpose

Description

Broadcasting  
Programmes  
Production  
Support

Genre & Condition

## Scope of Support

Max. 100 million won(₩) per project

※ **But for a consortium of 5 or more countries including the signatories, it cannot exceed the maximum of 300 million won**

Scope

## Supported Genres and Conditions

No limitation in genre but the production conditions must be complied under each agreement

※ **Except for animation/theatrical movies**

# Status of programmes supported by the government (2012-2016)

Year	Broadcaster	Program Name	Amount (₩100 M)	Co-Production Country/Studio
2012	Food TV	Singapore Taste Travelers Meeting Korean Cuisine	1.7	Singapore/LITV ASIA
	TV Chosun	State of Play	10.2	Belgium, Sweden/VRT, SVT
	CJ E&M	K POP STAR HUNT (Season 2)	2.0	Singapore/Fox International
	Polaris TV	Secrets of Northern European Design Revealed	1.9	Denmark, Finland/Alpha Films, YLE
2013	Food TV	K-POP Idols Becoming Chefs in Singapore!	1.5	Singapore/LITV ASIA
	MBC Kyongnam	East Meets West in Music: The Story of Two Cities, Tongyoung and Berlin	1.4	Germany, Austria/UNITEL CLASSICA, BFMI
	OBS	On the Way to See Her	1.2	Singapore/BLUEMAX
	Polaris TV	Medical Healing Travel	1	Iceland/FeelIceland
	QQ Talk	Liquor's Evolution to Culture	1.37	France, Germany/MAYDIA, GOOD TIMES TV
2014	SKYLIFE TV	Martial Arts Road	1.4	Lithuania, Greece/ LRT, Sound & Picture
	Samcheok Culture TV	UNESCO's Choice	1.3	Germany, Spain/Die ilmagetur, HELIFILM
	CJ Hello Vision	Kings' Table with Noble Dishes	1.05	France, Spain/ARTE France TV, MTV A
	KBS	One Vision-Asia for the Future	1	Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Vietnam, Singapore, Thailand, Philippines, RTB, TVK, Metro TV, LNTV, RTM, MRTV, VTV, Mediacorp, Thai PBS, PTV
2015	EBS	Baby on the way	2.7	Singapore, Cambodia, Mongol, Myanmar/Media-Corp, TVK, MNB, BBS, Forever Group
	Chosun TV	The Rescuer	1	Denmark/DRTV, PBS
	MBC Kangwon Youngdong	Cattle Road	1	Greece/TV100, Marbella production
2016	EBS	Baby on the way, do you have a younger sibling? (Season 2)	3	Thailand, Vietnam, Cambodia, Chile, Italia/Thai PBS, VTV7, TVK, TVN, RAI
	SKYLIFE TV	Women with roll-up hair (Secret of Hair)	1	Greece, France/Thessaloniki TV, Urubu Films

# Benefits of Co-Productions



**Meet the Demand for Diverse Contents**



**Reducing Production Costs and Risks**



**Receiving Government Subsidies for Co-Productions**



**Sharing Production Knowledge and Knowhow**



**Easier Accessing to Foreign Locations**



**Expanding Distribution Networks and Improving Access to Market**



**Enhancing Competitiveness of the Broadcasting Industry**



**Increasing Cultural Exchanges among Nations**





# Thank You