

2021 Blue Book of Film

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Theme of article: "The situation about filmmakers and the film industry in 2020, at this difficult time, what is your plan to survival and develop in the future."

Territory: South Korea

The pandemic hit the film industry in South Korea at a time of optimism and celebration. Theatrical attendance in 2019 totaled 226.7 million admissions, an all-time record. In terms of revenue, the industry had enjoyed steady growth for 10 years running. The nation boasted 4.37 admissions per capita, the highest level of moviegoing in the world (just outpacing Iceland's 4.32). With 51% of the market, local films had outperformed Hollywood for the ninth year running. The average Korean film posted an estimated profit of 5.9% (all figures provided by the Korean Film Council).

More than anything, the phenomenal run of success enjoyed by Bong Joon Ho's *Parasite*, capped by its winning Best Picture at the Oscars in early February 2020, injected a further shot of confidence into the industry. The international market for Korean films looked brighter than ever.

Of course, we all know the next chapter to this story. By the end of 2020, the Korean film industry was reeling from a 73.3% drop in theatrical revenues, despite the fact that the country had controlled the spread of the virus relatively well, and avoided full lockdowns. Theaters never closed completely, but viewers felt nervous about indoor crowds, even after the introduction of distanced seating. With local distributors and Hollywood studios alike holding back the release of high profile films, there was little in terms of content to tempt viewers to return. At several moments throughout the year (notably in August), cautious upturns in admissions were quickly extinguished by new outbreaks of the virus. Re-releases of older films, and special ticket discounts (funded in part by the Korean Film Council) were of limited success in boosting box office.

The box office performance of Korean independent films was more mixed. Despite being affected overall by the pandemic, there were cases in which an independent release seemed to benefit from the lack of competition from mainstream Korean or Hollywood films. In other words, the better performing low-budget independent releases – such as *Three Sisters* (83,000 admissions) or *Baseball Girl* (37,000 admissions) – amassed totals that were not far removed from that of a normal year.

As in other countries, OTT platforms – especially Netflix – saw revenues boom during the pandemic. Monthly unique viewers on Netflix rose by 64% from January to November 2020. Numerous films that had originally been slated for a theatrical release were sold instead to Netflix, bypassing theaters completely. (These include *Time to Hunt*, *Call*, *Night in Paradise*, and the blockbuster-scale *Space Sweepers*). When Netflix announced it would spend \$500 million in the production of Korean content in 2021, there was no longer any doubt that power relations in the film industry had undergone a significant shift.

Production continued in the pandemic, albeit at a reduced level, with COVID-related safety protocols in place. With a generally low incidence of COVID cases in the population, disruptions to filming due to cast and crewmembers testing positive were relatively rare. However, numerous big-budget productions had been scheduled to shoot overseas in 2020, and the end result was canceled projects, delays, or increased costs. Overall, whereas in 2019 a total of 45 mid to high-budget films (defined as having a production budget of more than 3 billion won or US\$2.6 million) went into production, in 2020 this fell to 29. Meanwhile, an estimated 80 films have postponed their release to an uncertain future date, placing a significant financial strain on film companies.

Film festivals faced a particular challenge during the pandemic. The first major event to deal with the new reality was the Jeonju International Film Festival, which pushed its dates back a month to late May/early June before ultimately being held as an "audience-less" event, with theatrical screenings for jury members and filmmakers only. A limited selection of films were also presented to the general public on local OTT platform Wavve. Subsequent festivals, such as the Bucheon International Fantastic Film Festival in July,

and South Korea's biggest film event the Busan International Film Festival in October, opted for a hybrid model, with a limited number of reduced-capacity screenings for the public, and additional films made available to viewers at home. Nonetheless, for young filmmakers premiering their works at one of these festivals, the opportunity to build word of mouth and connect with audiences was greatly reduced. With film festivals unable to perform some of their key functions, there was both renewed appreciation and increased debate over the role of film festivals within contemporary Korean film culture.

Unsurprisingly, many filmmakers found themselves struggling to make ends meet in 2020. The government body tasked with providing relief to the film industry was the Korean Film Council, based in Busan. Apart from its usual funding initiatives, KOFIC provided tax relief and subsidies to movie theaters, free training and grants to film professionals, targeted production and distribution support, and more. KOFIC also gathered together some of the industry's leading minds into a task force to chart the film industry's future path in the post-pandemic world.

Much discussion is centering around the changed viewing habits of casual moviegoers, who have become more accustomed to watching films at home on OTT platforms. Commentators predict that at least some of this shift will become permanent. As such, film companies and individual filmmakers are showing a greater interest in content targeted at a variety of platforms. If Netflix was viewed as a powerful outsider in 2019, it is more and more being seen as an insider in 2021.

Yet the potential for a revived theatrical sector seems strong in South Korea. In contrast to many other territories, the pandemic did not accelerate an already existing trend towards home viewing. On the contrary, the sustained growth in theatrical revenues over the past decade suggest that movie theaters had held an important place in the social routines of most citizens. When at some as-yet unknown future date when cafés and restaurants fill to pre-pandemic levels, there is reason to hope that movie theaters might not lag far behind.