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The Growth and Outlook
of the Korean Cinema

1996~Present



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1. *Swiri* (Kang Je-kyu, 1999)
2. *Joint Security Area / JSA* (Park Chan-wook, 2000)
3. *Friend* (Kwak Kyung-taek, 2001)
4. *Oasis* (Lee Chang-dong, 2002)
5. *Chunhyang* (Im Kwon-taek, 2000)
6. *3-Iron* (Kim Ki-duk, 2004)
7. *Old Boy* (Park Chan-wook, 2003)

Growth in Quantity

Over the past decade, Korean cinema has shown incredible growth. Its renaissance has come after a long period of stagnation after the heyday of the 1960s. With regard to quantity, the number of films produced did not increase greatly but audiences for Korean films surged to ten million people for some films. The market share for Korean cinema was 23.1 per cent in 1996. In 1998 it increased to 35.8 per cent, and in 2001 it passed 50 per cent. Although Korean cinema was on a consistent upward curve from 1996, the success of *Swiri* (Kang Je-kyu, 1999) triggered a boom. Ever since *Swiri* became the biggest box-office hit in Korean film history, new records for Korean films have been set every year. Amid talk of “Korean blockbusters,” *Joint Security Area / JSA* (Park Chan-wook, 2000) and *Friend* (Kwak Kyung-taek, 2001) topped the box-office. *Silmido* (Kang Woo-suk) in 2003 and *Tae-guk-gi* (Kang Je-kyu) in 2004, inaugurated the ten million-audience era. Kang Woo-suk and Kang Je-kyu have played an important role in the box-office history of Korean films. Kang Woo-suk has directed many successful films from *Two Cops* in 1993 to *Silmido* in 2003. Furthermore, he has maintained his position as the leading figure in the Chungmuro scene from 1996 to 2004 while managing Cinema Service, a film production and distribution company. Kang Je-kyu extended the Korean film industry by establishing the coordinates of the Korean blockbuster film with *Swiri* and *Tae-guk-gi*. Second, the number of screens has boomed from 511 in 1996 to 1,648 in 2005. Multiplex theater chains such as CJ-CGV, Megabox, and Lotte Cinema have played a decisive role in this. Along with the increase in the number of screens, the “wide release” method was fully adopted at the turn of the century, making it easier to attract a large audience rapidly. *Silmido* and *Tae-guk-gi* were released simultaneously on about three or four hundred screens around the country—a third of the national total—making it possible to sell more than ten million tickets. Because they require heavy investment, multiplex theaters are founded upon large conglomerate (or *chaebol*) capital.

After the IMF crisis of 1997, the *chaebols'* hesitant advance into the Korean film industry accelerated with the building of the multiplex theaters. As a result, the power of *chaebol* capital represented by CJ Entertainment (belonging to Cheil Jedang Group) and Showbox (Orion Group) is strengthening.

Third, Korean films have begun to perform well in foreign markets. In 1996, the total export value of Korean films was around US\$400,000. However, in 2005, it was 190 times that amount, setting a new record of US\$76 million. In 2004, it was judged that the Korean television drama "*hallyu* (Korean wave, 韓流)" was emerging in the cinema too, and the total exports of Korean films showed an increase of 88 per cent over the previous year. Considering that expansion into foreign markets provides the opportunity to expand the scale of the Korean film industry and overcome the limits of the domestic market, the Korean film industry is looking for ways to make the most of the *hallyu* fever.

Growth in Quality

Great success has also been achieved in quality over the last decade. First, Korean cinema has achieved remarkable success at major international film festivals. In 2000, *Chunhyang* (Im Kwon-taek) was officially invited to compete at Cannes—a first in the Korean film history. In 2002, Im Kwon-taek received the Best Director Award at the Cannes Film Festival for *Chihwaseon*. In the same year, Lee Chang-dong and Moon So-ri won the Special Director's Award and the Marcello Mastroianni Award at the Venice International Film Festival for *Oasis*. In 2004, Park Chan-wook won the Grand Jury Prize at Cannes for *Old Boy*. In the same year, Kim Ki-duk was awarded the Best Director Award for *Samaritan Girl* at Berlin and for *3-Iron* at Venice.

Second, many international film festivals, including Pusan International Film Festival (PIFF), Jeonju International Film Festival (JIFF), and Puchon International Fantastic Film Festival (PiFan), were launched and have been quite successful. In particular, since its 1996 launch

PIFF has grown into a film festival representing Asia, and its success has made Korean films known and well received worldwide.

Third, many new and noteworthy directors have come onto the scene. Hong Sangsoo and Kim Ki-duk are considered outstanding auteur directors. They both debuted in 1996, with *The Day a Pig Fell into a Well* and *Crocodile* respectively. Park Chan-wook rose to become a star commercial and artistic director with *Joint Security Area / JSA* and *Old Boy*. Other new directors include Hur Jin-ho of *Christmas in August* (1998), Lee Chang-dong of *A Peppermint Candy* (1999), Kim Jee-woon of *A Tale of Two Sisters* (2003), Bong Joon-ho of *Memories of Murder* (2003), and E J-yong of *Untold Scandal* (2003).

Fourth, the term “well-made film” came into being. With *Swiri*’s success, many high budget films claiming to be Korean blockbusters were made. However, they failed at the box-office one after another. On the other hand, although films like *Memories of Murder*, *Untold Scandal*, *A Tale of Two Sisters*, and *Old Boy*—all released in 2003—were not epic productions, they achieved unexpected box-office success and positive reviews. The term “well-made film” began to designate such films, and producers were able to achieve the utmost quality while striving for the most appropriate budget.

Fifth, the Korean Film Council (KOFIC) was launched on 8 May 1999. Transformed from the government-supported Korean Motion Picture Promotion Corporation (KMPPC) into a non-government organization, KOFIC has carried out various support programs for art films, independent films and short films in a systematic and rational way. As short film productions increased, many directors made their feature debut after being recognized for their talent in short films.

Possibilities and Limitations

Over the past decade, Korean cinema has definitely made a brilliant leap forward in quantity as well as in quality. However, there are a few issues that could be obstacles to future growth. First, there is polarization, whereby the audience comes together to see only one

specific film and as a result a small number of titles dominates the screens. On the week when *Silmido* recorded its ten millionth ticket sale, it shared about two thirds of the total number of screens together with *Tae-guk-gi*. The emergence of Korean blockbusters and the ten-million-audience film has amplified illusions about big films and box-office successes and small films are slowly losing ground. Although the network of movie theaters specializing in independent films, low budget films and art films called Artplus Cinema Network (renamed Nextplus Cinema Network in 2006) is in operation with support from KOFIC, there is little increase in the art film audience. In 2004, Korean and Hollywood films took 95.4 per cent of the total film market. And in the midst of joy over the ten-million-audience film, Kim Ki-duk's *3-Iron* and Hong Sangsoo's *Woman is the Future of Man* attracted only 95,000 and 285,000 people respectively across the nation. Under such circumstances, thematic film festivals like the Seoul Human Rights Film Festival, Women's Film Festival in Seoul, and Seoul Independent Film Festival, as well as organizations like the Korean Association of Cinematheques and Association of Korean Independent Film & Video, are all struggling hard to introduce various films from various eras and around the world.

Second, due to the audience preference for big budget films, the wide release method, and skyrocketing celebrity star power, production and marketing budgets are rising steeply. In 1996, the average budget for a Korean film did not exceed 1 billion *won* (US\$1,190,480), with 900 million for production and 100 million for marketing. However, the production and marketing budgets increased each to 2.8 billion (US\$2,705,314) and 1.4 billion *won* (US\$1,352,657) respectively, making the average total budget 4.2 billion *won* (US\$4,057,971) in 2004. Also, despite increased budgets, labor conditions and salaries have not improved much, and this is causing concern about a possible drying up of quality human resources in the film industry. Korean cinema has succeeded in attracting audiences by constantly working hard and searching for ways to make a variety

of films. But, after all these efforts, Korean cinema is on the verge of a crisis due to the rich-get-richer and the poor-get-poorer atmosphere prevalent in the film industry.

Nevertheless, the new noteworthy phenomenon is the active production of digital feature films. In particular, digital film production has made it possible to make low-budget feature films without entering the mainstream system. Key results are *My Generation* (2004) by Noh Dong-seok and *The Forgotten Child: Shin Sung-il is Lost* (2005) by Shin Jane, and *The Unforgiven* (2005) by Yoon Jong-bin. Furthermore, the Jeonju International Film Festival's "Digital Short Film by Three Filmmakers" series has established itself as a significant trend-setting project in Asian cinema. Although there remains the issue of securing a distribution network, the possibility of independent and digital films as alternative media looks towards the next decade of Korean cinema. (Kim Kyoung-wook)