

## Prospects of the Korean and Chinese Film Industry after COVID-19

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### Abstract

Since December 2019, as the COVID-19 has spread rapidly around the world, governments have strongly implemented various quarantine policies, including keeping social distance between individuals and online education etc. Nevertheless, mankind is threatened with new challenges in all areas of politics, society, culture and sports, as well as economic activities between countries. In particular, the film industry, where many people gather in dense spaces, has been affected by its nature, resulting in a sharp drop in sales and audience numbers. Since the film industry has significant meaning and value in the development of cultural industries in both Korea and China, and it is a highly value-added industrial sector in terms of economy, it is time for the government to take measures to overcome such crisis. This paper aims to predict the future development and prospects of the film industry of Korea and China through the implementation of government-level policies for the revitalization of the film industry in both countries and the efforts of the film industry.

**Keywords:** *Film Industry, Cobid-19, OTT Service, Holdback, Netflix*

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# 코로나19 이후 한·중 영화산업의 전망

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## 국문요약

2019년 12월 이후 코로나19가 전 세계로 빠르게 확산됨에 따라 각국의 정부는 코로나19에 맞서 사회적 거리두기, 온라인 교육 등 다양한 노력을 지속적으로 강력하게 시행해 오고 있다. 그러나 그럼에도 불구하고 국가 간의 경제활동은 물론 정치, 사회, 문화, 스포츠 등의 전 분야에 걸쳐 인류는 새로운 도전에 위협받고 있다.

특히 밀집된 공간에 여러 사람이 모일 수밖에 없는 영화산업은 그 특성상 결정적인 영향을 받을 수밖에 없다. 영화산업은 한중 양국의 문화산업 발전에 있어 중요한 의미와 가치를 지니고 있으며, 경제적 측면에서도 그 부가가치가 높은 산업 분야이기 때문에 이와 같은 위기 상황을 돌파할 자구책이 절실하게 필요한 때이다. 본고는 한중 양국의 영화산업의 활성화를 위한 정부 차원의 정책 시행과 영화업계의 노력 등의 현황을 통하여 향후 한중 양국의 영화산업 발전과 전망을 가늠해 보고자 한다.

주제어: 영화산업, 코로나19, OTT서비스, 홀드백, 넷플릭스

## I. Introduction

Since December 2019, as the COVID-19 has spread rapidly around the world, governments have strongly implemented various quarantine policies, including banning activities of organizations, keeping social distance between individuals, and adopting various work arrangements and online education. Nevertheless, mankind is threatened with new challenges in all areas of politics, society, culture and sports, as well as economic activities between countries.

In particular, the film industry, in which many people gather in dense spaces, was greatly influenced due to its nature, and the film industry in Republic of Korea(Korea) and People's Republic of China(China) saw a decrease in sales and attendance by more than 60% compared to the year before. In addition, the continues spread of COVID-19 and the growing reluctance of the audiences cast a negative shadow over the development of both countries' film industries. To overcome this crisis, the Korean Film Council(KOFIC) released the 「COVID-19 Shock: Status and Prospects of the Korean Film Industry」 and the 「Settlement Report of the Korean Film Industry in the First Half of 2020」, compared to the past cases of SARS and MERS, it presents its own outlook for the Korean film industry in the future, which is worth referring to in predicting the recovery of the film industry after the emergency disaster in the future.

Other related research highlights are the works of Song Kyung-won and Jung Min-ah. Song Kyung-won summarizes the changes and countermeasures of the Korean film industry over the six months since the COVID-19 in 「Reduction-oriented Survival Strategy, Korean Film in the New Normal-Era」, and Jung Min-ah predicted a new online-based movie consumption era, which was advanced by COVID-19 in 「Prospects for Cinema Theater and the Cinema Industry in the Post-Corona Age」. while it is somewhat difficult to predict Chinese film industry in the future due to limited access to materials related to it, including movie screening and distribution, until July 20, 2020, after suspending film production on Jan. 31, 2020, the Chinese government, like the Korean government, has implemented various policies such as tax exemption, distribution of discount vouchers, and subsidies, and the film industry of both countries is also making various efforts such as online movies and auto theaters, which is seen as a positive sign for the development of the Korean and Chinese film industries since the COVID-19 pandemic.

On the cultural side, the continuous development of the film industry is one of the immediate issues that Korea and China need to address, as it has important meaning and value in the development of the cultural industry to both Korea and China, and is also a highly value-added industry in the economic aspect. Therefore, we will first analyze the current status of the film industry of both countries after the spread of COVID-19 and then examine the policies of the two governments and countermeasures of the film industry to examine the development and prospect of the film industry of Korea and China after COVID-19 pandemic.

## II. Status of Korean and Chinese Film Industry

The outbreak and spread of COVID-19 brought drastic social changes not only in Korea and China but also around the world. The outbreak is expected to bring negative effects

throughout human society in the coming years or even decades. Under these circumstances, the decline in sales and number of movie audiences caused by the suspension of filmmaking, screening and postponement of the movies released from January to July 2020 casted fatal impacts on the Korean and Chinese film industries

## 1. Status of Korean Film Industry

All domestic filming of Korean films was suspended on February 23, 2020, after the epidemic situation of Shincheonji Church in Daegu, and overseas filming were also postponed due to the entry ban and visa cancellation of each country. In the end, due to the suspension of filming at home and abroad, only 15 films began filming from January to July 2020, which is down 50% compared to 30 films of 2016, and none of them ranked on the top 10 box office hits<sup>1</sup>. Although <The Man Standing Next> which was released two days before the Lunar New Year holiday, topped the list of box office hits in 2020, the number of audiences and sales was the lowest compared to the data of the last five years. In addition, the total audience of 4.75 million people decreased by 70.8% compared to the previous year's number one box office hit, and sales of KRW 41.2 billion decreased by 70.5% year-on-year<sup>2</sup>. Next, the number of audiences and sales in the Korean film industry was 38.02 million from January to July 2020,

<sup>1</sup> Jan ~ July, 2020 box office rank 10 (source : KOBIS)

Rank	Film	Release Date	Moviegoers (ten thousand)	Gross (hundred million KRW)	Number of cinemas	Number of screening
1	The Man Stunding Next	2020.01.22	475	412	1,659	140,050
2	Peninsula	2020.07.15	322	280	2,575	161,088
3	Hitman:Agent Jun	2020.01.22	241	206	1,122	87,779
4	Ashfall	2019.12.19	196	169	1,241	74,405
5	#Alive	2020.06.24	190	159	1,882	136,755
6	Dolittle	2020.01.08	161	134	1,290	68,634
7	Honest Candidate	2020.02.12	154	128	1,187	89,159
8	The Closet	2020.02.05	127	110	1,197	71,453
9	Secret Zoo	2020.01.15	121	102	1,216	53,441
10	ForbiddenDream	2019.12.26	103	87	929	43,242

<sup>2</sup> 2016~2020, Jan ~ July box office rank 1 (source : KOBIS)

Year	Title	Moviegoers(ten thousand)	Gross (hundred million KRW)	Release Date
2016	A Violent Prosecutor	971	773	2016.02.03
2017	Confidential Assignment	782	638	2017.01.18
2018	Along with the Gods: The Last 49Days	1227	1027	2018.08.01
2019	Extreme Job	1626	1396	2019.01.23
2020	The Man Standing Next	475	412	2020.01.22

which is down 68.5%, 68%, 67.2%, and 71%, respectively, from 2016 to 2019, while the total sales also decreased to 66.9%, 66.3%, 66.8%, and 71.2%, respectively.

Chart 1: Trend of Korean movies audience during January to July by year  
(※source: Korea Box-office Tickets Information System)

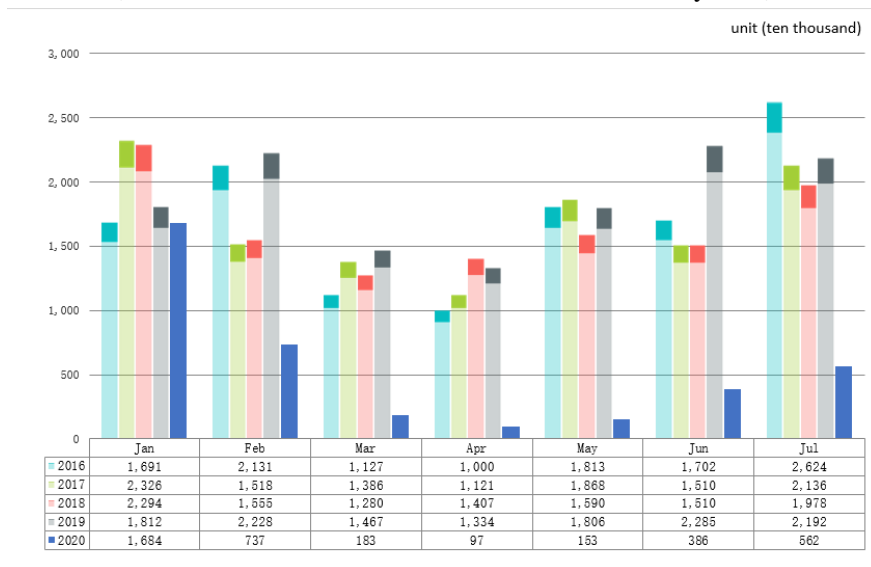
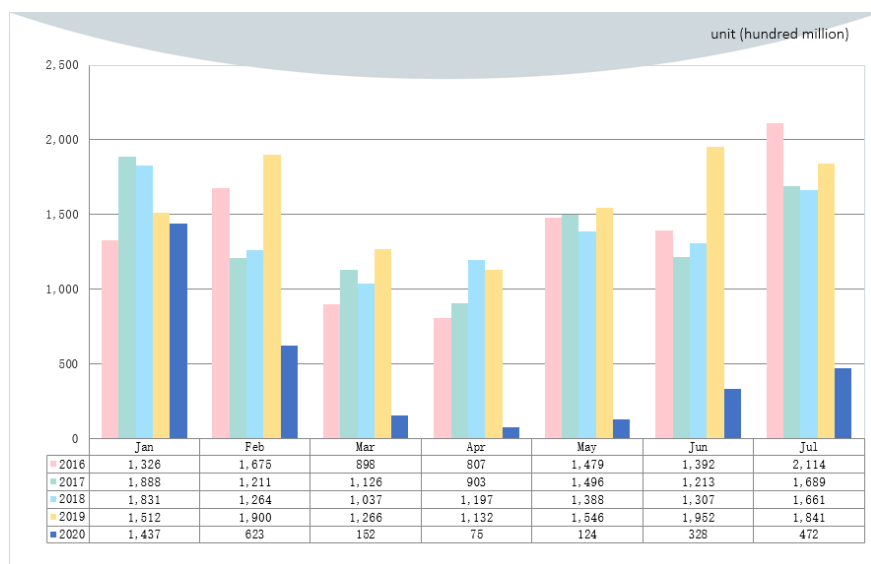


Chart 2: Comparison of the sales of Korean movies during January to July by year.  
(※source: Korea Box-office Tickets Information System)

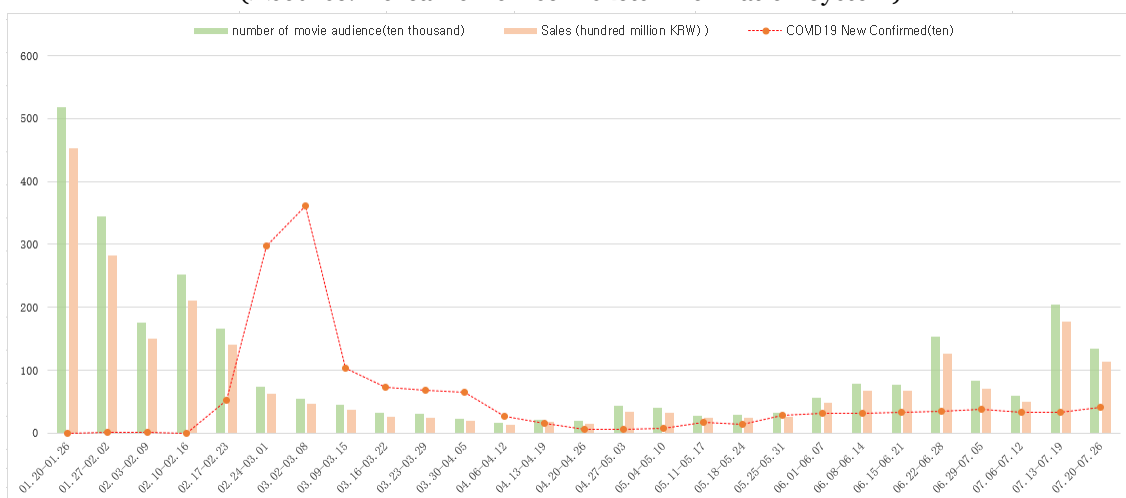


When observed by month, the total number of audiences and sales in January are not much different from the same month last year, but the fact that an infected person visited the theater during the Lunar New Year holiday, affected data of February, which decreased 66.9% year-on-year to 7.37 million, and sales decreased by 67.2% year-on-year to KRW 62.3 billion. The total number of audiences decreased to 1.83 million audiences and sales decreased to KRW 15.2 billion in March, which is down 87.5% and 88%, respectively, from the year earlier, as films scheduled on March were postponed

Due to a sharp drop in the number of audiences in April and the suspension of theater

operations, the number of audiences decreased to 970,000 and sales to KRW 7.5 billion, which is minus 92.7% and 93.4%, respectively, compared to the same month last year, resulting in the lowest numbers since 2004(Korean Film Council 2020, 9). The number of audiences and sales in May increased slightly from April due to the holiday season from late April to early May, but they still decreased by 91.6% and 92%, respectively, compared to the same month in the previous year. Since June, the Korean film industry has gradually recovered, increasing the number of audiences to 3.86 million and sales to KRW 32.8 billion, and continued to rise to 5.62 million audiences and KRW 47.2 billion in July, raising expectations for the normalization of theaters in the future.

Chart 3: Weekly trend of the number of Korean movie audience and sales during COVID-19 period  
(※source: Korea Box-office Tickets Information System)



When observed by week, there have been five upward inflection points since COVID-19. The first was the Lunar New Year holiday period, during Jan. 20 to Jan. 26, the number of audiences and sales were not significantly affected by the COVID-19 for a week, since the nation's first patient was just confirmed. So the number of audiences and sales remained similar to the levels in 2016 and 2018. This seems to be the effect of the new films. <The Man Standing Next> and <HITMAN: AGENT JUN> were released just two days before the Lunar New Year holiday. The second was February 14, Valentine's Day, which recorded 360,000 audiences and KRW 3.1 billion in sales on the same day, down from 2016, 2018 and 2019, but similar to 2017<sup>3</sup>. Since then, Korea's film industry has been on a downward trend, with the number of 15,429 audiences recorded on April 7, marking the lowest daily number since the

<sup>3</sup> Annual Valentines day audience and sales count (source : KOBIS)

Year	number of movie audience (ten thousand)	Gross (hundred million KRW)
2016	87	70
2017	36	27
2018	99	78
2019	51	40
2020	36	31

2004 tally. The third was a two-week change from April 27 to May 10, which again showed an upward trend for the Korean film industry, which had been falling for nearly three months due to the six-day golden holiday that followed Buddha's Birthday and Children's Day.

The fourth was the time when the KOFIC distributed discount vouchers for movie theaters from June 4 to 28. Additionally, film releases such as <Intruder>, <Innocence>, <Me and Me> and <#ALIVE>, helped increase weekly sales and audiences count in June. In particular, the industry recorded 1.54 million audiences and KRW 12.7 billion in sales for a week from June 22-28, which coincided with the release of the movie <#ALIVE> on June 24 and the termination of the first movie discount voucher. Also, on June 27, the last Saturday of June, the number of audiences were 409,652, and the number of daily audiences exceeded 400,000 for the first time in 132 days since February 16.

The last was when summer season films were released. From July 13, the movie industry expected increase in numbers with releases such as <Peninsula> on July 15 and <Steel Rain 2: Summit> on July 29. <Peninsula> was released on July 15 and recorded 2.05 million audiences and KRW 17.8 billion in sales for a week from July 13-19. In particular, the film collected more than KRW 3.1 billion and 380,000 audiences on the day of its release, and recorded 1.04 million audiences and KRW 9.3 billion in sales over the two days of the weekend (18th and 19th), resulting in an overall increase of 24% compared to the total sales of KRW 7.5 billion in April.

## 2. Status of the Chinese Film Industry

As of January 23, when Wuhan city, China was completely blocked. On the next day the TV production committee and the acting committee of the China Federation of Radio and Television Associations announced that they had ordered all actors, companies to stop filming beginning from January 31, 2020. As a result, Chinese films ranked within the top 10<sup>4</sup> overall

<sup>4</sup> Jan ~ July, 2020 box office rank 10 (※source :<http://www.endata.com.cn/BoxOffice/>)

Rank	Title	Release Date	Nation	Gross (ten thousand RMB)	number of movie audience (ten thousand)	Number of screening (ten thousand)
1	Adoring	2019.12.31	China	51,030	1,464	194
2	Sheep Without A Shepherd	2019.12.13	China	42,007	1,244	154
3	Ip Man4	2019.12.20	China	41,837	1,159	158
4	Warriors of Honor	2019.12.05	China	10,610	150	3
5	Spies in Disguise	2020.01.03	America	10,340	291	48
6	Dolittle	2020.07.24	America	6,729	218	25
7	La Vita è bella	2020.01.03	Italy	5,808	173	31
8	Angel Has Fallen	2019.12.31	America	5,506	165	27
9	Violet Evergarden:Eternity and Auto Memories Doll	2020.01.10	Japan	4,853	160	37

box office hits from January to July 2020 were all released in 2019.

During the period, <Adoring>, which ranked No.1 in box office hits, decreased 89.4% in audience, and 89.8% in sales compared to the same ranking of the previous year<sup>5</sup>. Most of China's past box offices are Chinese New Year film movies<sup>6</sup> running on the Lunar New Year holiday period, and movies screened at summer, national holidays, and year-ends. And especially the Chinese New Year film's box office profits account over 20%.

In particular, nine Chinese films, including <Detective Chinatown 3>, <Lost in Russia>, <Zhong Guo Nv Pai >, <The rescue> and <Vanguard> were screened as Chinese New Year films this year<sup>7</sup>, the highest numbers in quantity in the last five years, but due to COVID-19 it did not achieve more than it was expected.

Of the total sales of RMB 60 billion in 2019, the Chinese New Year films recorded RMB 6 billion during the Lunar New Year period, which was 10% of the total sales. However, the number of movies screened during the Chinese New Year period in 2020 was expected to increase, since there were six more films compared to 2019, to RMB 7 billion, but the sales on the very day of Lunar New Year was only 50,000 audiences and RMB 1.18 million in sales. Looking back on this situation, among the top 10 total box office films from January to July 2020, there was not a single film released during the Chinese New Year period, and most of the films were released at the end of the 2019 season. For this reason, the total sales in the first quarter of 2020 decreased significantly to RMB 2.2 billion, which is an 88% decrease compared to 2019

10	My People , My Country	2019.09.30	China	4,750	60	0.2
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<sup>5</sup> 2016~2020, Jan ~ July box office rank 1 (source: 「2019 The Research Report on Chinese Film Industry」, China Film Press)

Year	Title	number of movie audience (ten thousand)	Gross (ten thousand RMB)	Release Date
2016	The Mermaid	9243	339,210	2016.02.08
2017	Wolf Warriors II	15,942	567,875	2017.07.27
2018	OPERATION RED SEA	9292	365,078	2018.02.16
2019	Ne Zha	13,847	500,359	2019.07.26
2020	Adoring	1464	51,030	2019.12.31

<sup>6</sup> Movies targeting the Chinese Lunar New year holiday period. Since movies are popular recreation to Chinese, many movies compete during this period

<sup>7</sup> 2016 ~ 2019 Chinese Lunar New Year gain comparison (※ source: 「2019 The Research Report on Chinese Film Industry」, China Film Press)

Year	Number of movies	Gross (100million RMB)
2016	3	57
2017	4	53
2018	4	100
2019	3	86
2020	9	-



Chart 4: Trend of Chinese movies audience during January to July by year  
 (\*source: <http://www.endata.com.cn/BoxOffice/>)

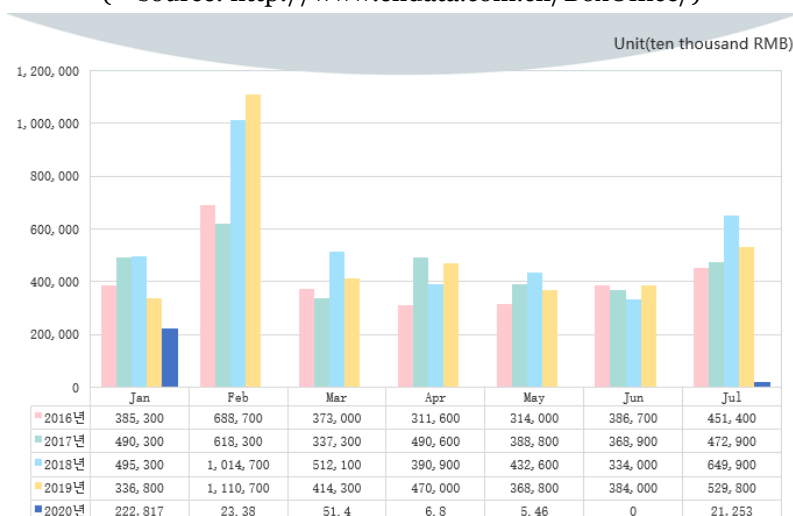
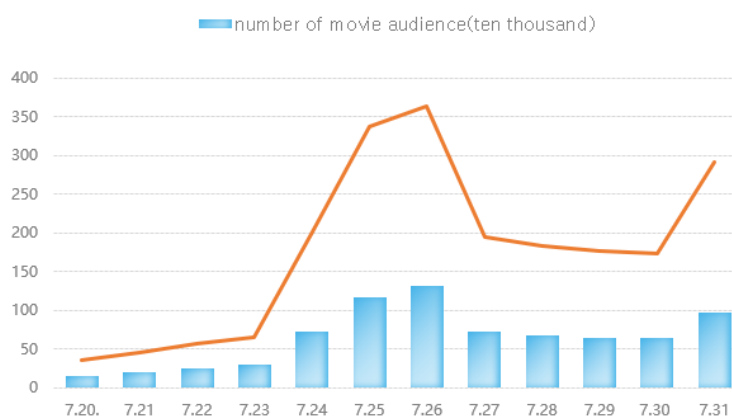


Chart 5: Changes in the number of audiences and sales since the reopening of Chinese cinemas  
 (\*source: <http://www.endata.com.cn/BoxOffice/>)



In addition, a survey of 187 theaters nationwide conducted by the China Television Actor Association showed that the average revenue of theaters in the first quarter was RMB 340,000, but the operating cost of theaters were reaching RMB 1.18 million(王丹 2020, 1), three times more than its revenue, indicating that all theaters have been in the red since February.

Looking at this by month, January's total sales decreased by 33.8% year-on-year to RMB 2.22 million, the lowest in the last five years. As film production ceased after the end of January, China's film industry has been hit hard, with its monthly total sales falling to RMB 230,000 in February and RMB 510,000 in March, while April and May plunged to less than RMB 100,000, and even failing to produce relevant statistics in June. From July, however, sales have gradually recovered to surpass RMB 21.253 million, a result of the China Film Administration (CFA)'s announcement of the resumption of operations from July 20, resulting in a recovery of 7.77 million audiences and RMB 21.172 million in sales for 12 days through July 31.

As above, the Korean and Chinese film industries were severely affected by the influence of COVID-19 in January through July 2020, including the production of films, the number of

audiences. However, while China suffered a severe blow from the suspension of all its film industries and the indefinite closure of movie theaters, Korea showed relatively good performance compared to China by closing only some portion of theaters, and screening films that might attract people's attention, and Korean films, which have shown a high recovery since June, are expected to perform better than the first half if the COVID-19 does not spread further in the second half of the year. In addition, the Chinese film industry, which started operating theaters since July 20, showed a clear rise in a short time, only 12 days, until the end of July, so it is expected to develop in the second half.

### **III. The Response and Prospect of the Korean and Chinese Film Industry**

In order to find a solution for the Korean and Chinese film industries, which is in a serious crisis due to COVID-19, both governments and the film industries are pushing for active measures through various methods such as tax exempting, grant of subsidies, and simultaneous release of theaters and VOD. Therefore, in this chapter, we will look at the future development and prospects of the film industry in both Korea and China through efforts such as implementing policies at the level of the two governments and preparing self-help measures for the film industry.

#### **1. Government-level response**

After the outbreak of the COVID-19, the governments of Korea and China proposed ways to overcome the damage of the industry since it was an important part of the cultural industry. First, related ministries of Korea such as the Ministry of Culture, Sports and Tourism and the Korean Film Council, announced measures to reduce the film industry's levies and to provide subsidies to restore the industry.

Specifically, the Korean government has taken measures to reduce the 3% levy paid by movie theater operators to 0.3% this year only to ease the burden caused by the sharp decline in the number of audiences and sales, and to make it possible to pay at the end of the year without arrears, and a fund of KRW 17 billion to support part of production costs and opening cost (KRW 2.1 billion each, a total of KRW 4.2 billion, and a maximum of KRW 100 million for each film), and KRW 800 million for vocational training for filmmakers.

Also, in order to overcome COVID-19 in the future and normalize the film industry as soon as possible, the government is offering KRW 3 billion in subsidies for hosting various special exhibitions at more than 200 movie theaters across the country, except for those run by large corporations and local governments, and KRW 9 billion worth of discount vouchers for moviegoers.

In China, the film industry is one of the sectors most affected by COVID-19. As the Chinese government closed all movie theaters nationwide and stopped film production from the end of January, it faced an unprecedented crisis. But with the prospect of promoting quality improvement alongside with the reform of the industry, the Chinese government has also come up with new solutions at the national level.

First, on April 3, the Ministry of Finance of the People's Republic of China (MOF) and CFA announced that the Hubei area, where COVID-19 is most serious, will be exempted from funds dedicated to the development of the film business for one year in 2020, while other areas will be exempted from January 1, 2020 to August 31, 2020. In addition, on April 10 and 13, 2020,

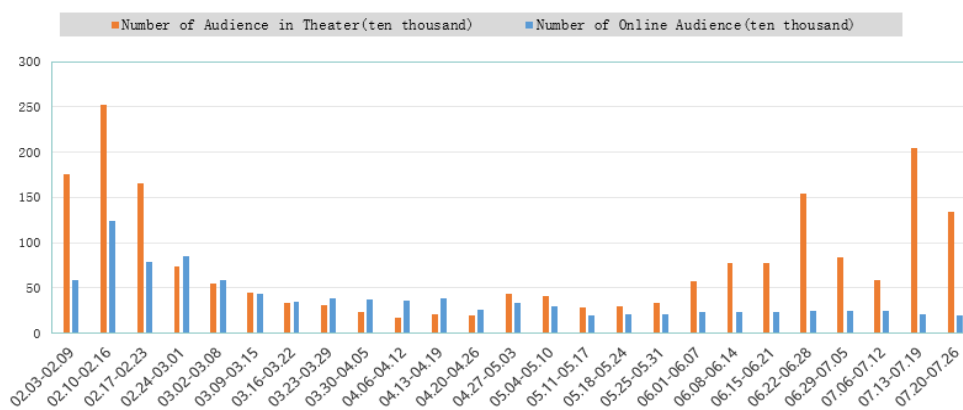
the Chinese Film Distribution & Screening Association and the Chinese Film Producers' Association announced the reduction of membership fees for all members in 2020, and on May 13, the MOF and the State Taxation Administration (STA) announced a policy to reduce both the value-added tax on film imports and the construction cost of cultural projects for one year in 2020 for the development of the film industry.

## 2. Film industry's self-help measures

Along with the government's countermeasures, the film industry in both Korea and China is also making efforts to come up with self-help measures. After the outbreak, big changes occurred in the film distribution channel in both countries. Among them, there is no doubt that the Korean film <Time to Hunt> and the Chinese film <The Lost in Russia> received the most attention. This is because they gave up the theater release and chose to release on Netflix, an Over The Top (OTT) service. Both films broke away from the paradigm of 'theater-holdback-online screening' and introduced a new form of operation as an OTT service.

The OTT model, which is quite different from the traditional screening method, was unexpectedly successful. First of all, while the number of audiences in Korean theaters plummeted, IPTV and OTT apps such as Netflix and WAVVE have grown rapidly. Based on Android OS, YouTube, which has about 33 million users out of a total of 20 online movie viewing platforms, is followed by Netflix (4,667,099 users), WAVVE (2,716,383 users), U+ Mobile tv (1,861,137 users), and TVING (1,381,537 users). As shown in Figure 6, when looking at the number of weekly theaters and online usage between February and July, the number of OTT users temporarily increased by 7.8% from February, when COVID-19 directly affected the theater district, outpacing the numbers from the theaters. It can be seen that the number of IPTV visits explosively increased to 847,444 the next week after the crisis alert level was elevated from 'warning' to 'severe' on February 23.

Chart 6: Changes in the Number of Theater and Online Use With COVID-19  
(※source: Korea Box-office Tickets Information System)



On the other hand, in China, a similar example is <Lost in Russia>, a popular film of the Chinese New Year film. The film was screened on four online video platforms -Douyin, Ixigua, TouTiao and Huanxi- contracted on January 25 in cooperation with an OTT company, making huge profits including down payment with video platforms, OTT and advertising fees instead of theater income. In the end, the online screening of <Lost in Russia> led the number of OTT

usage to increase by 166.67%. Ixigua alone in this period exceeded 48 million usage(袁宏舟, 2020, 102).

### **3. Prospects of the Korean and Chinese Film Industry**

So far, the Korean and Chinese film industries are trying to overcome the damage and are showing a steady recovery, but since the end of the COVID-19 is unpredictable, the future of the film industry is also uncertain. On July 31, at the 4th COVID-19 meeting, the WHO expected that COVID-19 would continue to spread for a considerable period of time and emphasized the need for countermeasures against COVID-19 worldwide. Also, the IMF announced that by the end of this year, the GDP of 170 countries (90% of the world's countries) will decrease. Therefore, there is no choice but to think that the consumption of culture, including movies, will decrease in the face of the global economic downturn.

At the same time, this crisis raised the possibility that the film's major premise could be dismantled, and hinted that similar epidemics could be repeated every few years in the future. So, in which direction should the industry go in these chaotic times? COVID-19 proved that the Korean and Chinese film industries are quite weak in responding to unforeseen risks, which is also a matter for both countries' film industries to face. Therefore, to solve these problems, both Korean and Chinese film industries are actively overcoming the damage by using OTT. In other words, the platform of the movie media is now attempting various changes.

The use of OTT first started in the US and became a new type of platform worldwide with the outbreak of COVID-19. As the world's most famous OTT so far this year, Netflix's revenue has increased 70 times over 2015. In particular, in the case of American film companies, only Disney has surpassed Netflix's revenue this year. It may be due to the high production and promotion costs of Hollywood films, but the use of OTT can be a new trend in the film industry.

However, the use of OTT has certain restrictions and limitations. First of all, theater films generally spend high production costs and promotional expenses, which makes them difficult to recover the principal if only the 'online movie without holdback' screening model is used. The Chinese film <Lost in Russia> succeeded in joining hands with OTT, but it caused great economic losses to theaters and filmmakers, and after the screening of the film, 34 film companies requested cancellation of the screening of "online movies without holdbacks" in the CFA, accounting for 70% of all Chinese movie companies. Therefore, it can be seen that much discussion and consultation are still needed for such method to be practically applied to the film industry. In addition, although the Korean and Chinese film industries are attempting to try a new way to show movies, such as simultaneous theater-VOD service and OTT screening, there are no proper cooperation model that can be applied to theaters and online screenings. As so, the film industry of the post-COVID-19 era can be reorganized into two part; theatrical films that maximize the experience of watching in theaters, and non-theatrical films. The problem that need to be dealt with in the future is to find a good balance between theater and online in both film industries.

Also, changes in the film genre, along with changes in the way films are screened and distributed, are also a matter for the film industry to consider. It is highly likely that the film will change into an animated film that does not require much filming since the production of most movies are suspended due to the COVID-19. In July 2019, an animated Chinese film <Ne Zha>, which was screened as a summer season film, not only topped the list of all Chinese films in 2019, and also saw sales exceed RMB 5 billion. It is hoped that animated films, which

do not require such production costs and on-site filming, will be a new direction for the development of the Korean and Chinese and film industries in the post-COVID-19 era. Although the film industry of Korea and China has been greatly affected by the COVID-19, the fact that animated films are not that much affected gives us a lot to think about.

#### **IV. Conclusion**

As mentioned above, by analyzing the current situation and responses by the Korean and Chinese film industries affected by COVID-19, we looked at the development and prospects of the film industry in both countries in the post-COVID-19 era.

As COVID-19 spreads rapidly around the world, it has brought a drastic change in all fields, including economy, politics, and culture. Among them, the film industry is one of the areas that have been most affected. The number of audiences and sales in January-July 2020 decreased significantly due to suspension of film production, screenings and postponement of release.

In order to escape from an unprecedented crisis, both the governments of both Korea and China and the film industry have come up with various solutions. The two governments are actively pursuing various policies, including tax exemption, production support, and distribution of discount vouchers to induce cultural consumption, while the film industry is reviving the film industry by introducing a "holdbackless online movie" screening, or OTT. Both film industry, which has been in crisis since February, has finally seen a new stage of development due to the efforts of the Korean and Chinese governments and the industries' themselves. The Korean film industry, which had continued to fall for nearly three months during the Golden Week at the end of April, showed an upward trend again, with the number of audiences visiting the theater on the last Saturday of June surpassing 400,000 for the first time in 132 days since February. Also in July, the Korean and Chinese film industries are getting better, since the outbreak is starting to come under control, which makes us expect that they will perform well in the second half of the year.

COVID-19 proved that the Korean and Chinese film industries are quite weak in responding to unforeseen risks, which is also a matter for both countries' film industries to face. In this regard, both Korean and Chinese film industries are actively overcoming the damage by using OTT, but due to problems such as the collection of principal for theater films and the balance between theaters and online movie screenings, it is still necessary to discuss and confer a lot of issues for the OTT screening method to actually be applied to the film industry. In addition, to overcome the Post COVID-19 era, the Korean and Chinese film industries might consider developing into animated films that does not require much filming and production than traditional theater films which spent huge amounts of money on production and promotion.

The film industry has important meanings and values in both the cultural and economic fields of both countries, so the continued development of the film industry after COVID-19 is one of the issues that both countries should face. Through this study, we examined the current status of the Korean and Chinese film industry after COVID-19, introduced various solutions promoted by the government and film industries, and reviewed the prospects for the film industry in both countries. We hope that further studies can suggest more specific solutions..

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