

Japanese TV Content Exports as a Key to Success of the “Cool Japan” Initiative

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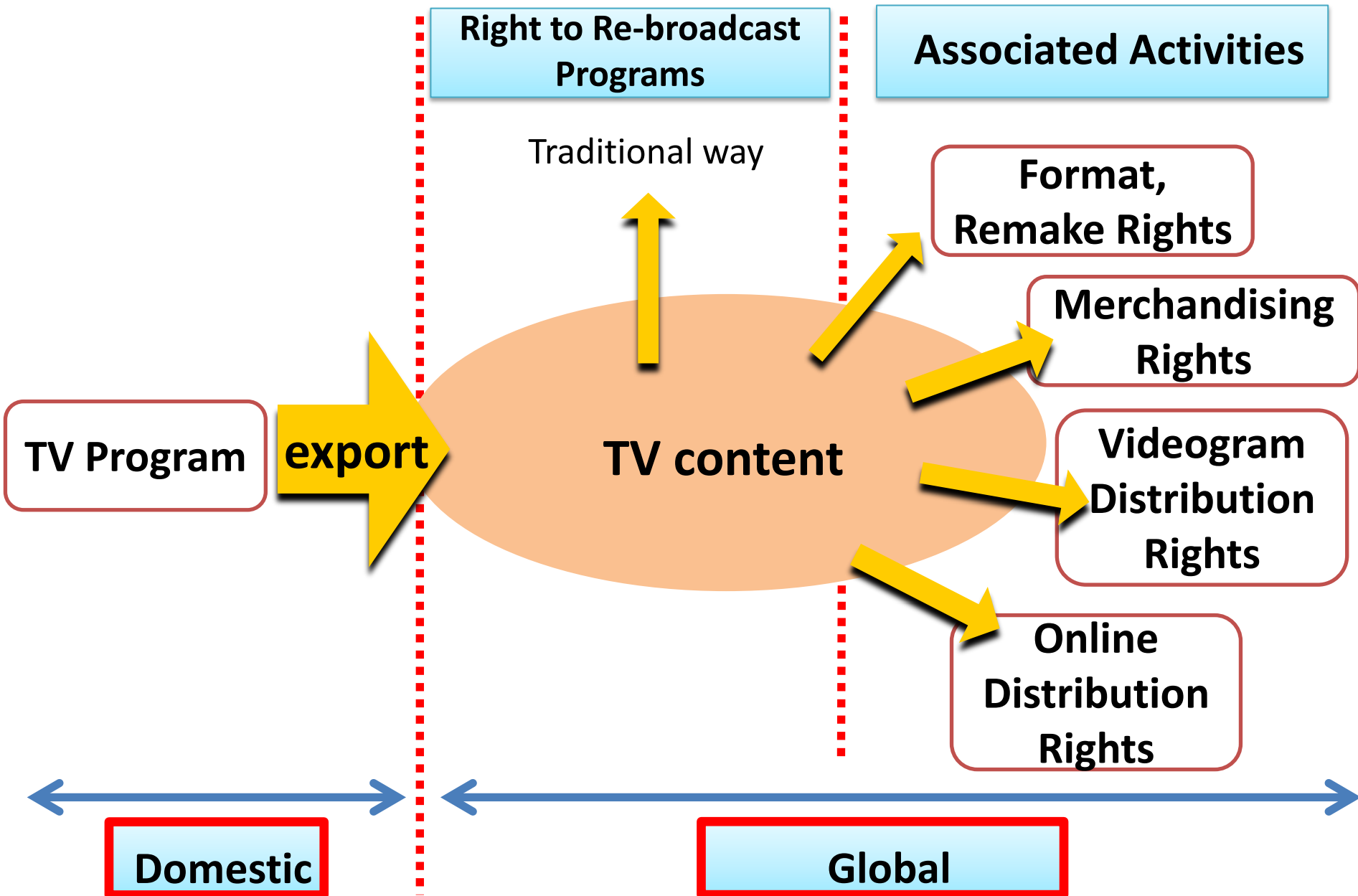
Ministry of Internal Affairs and Communications

Main Topics

1. The Current State of Japanese TV Content Exports
2. Comparison of TV Content Exports between Japan and Korea
3. “Cool Japan” to the Global Marketplace
4. The “Cool Japan” Initiative and the Ultra-High Definition TV (4K/8K) Initiatives

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Right to Re-broadcast Programs

→ Sale of the right to re-broadcast finished programming is a traditional way of exporting TV programs. The programs are broadcast in other countries after the localization of these programs by means such as subtitling or dubbing.

Diversification of TV content exports

Associated Activities

▪ Merchandising Rights

→ Merchandising rights include the licensing, manufacture, and distribution of merchandise based on the characters of animation programs etc. Revenue from the sales of goods are excluded

▪ Videogram Distribution Rights

→ Rights to distribute videogram (DVDs, videos) of TV programs in other countries .

▪ Format and Remake Rights

→ Concepts and components of TV shows etc. and plots and characters of TV dramas are sold as format and remake rights. Foreign broadcasters or productions produce new programs under these rights agreements.

▪ Online Distribution Rights

→ Rights to localize TV contents and distribute them online.

▪ Miscellaneous

→ (ex) Sale of the rights to use footage materials included in TV programs.

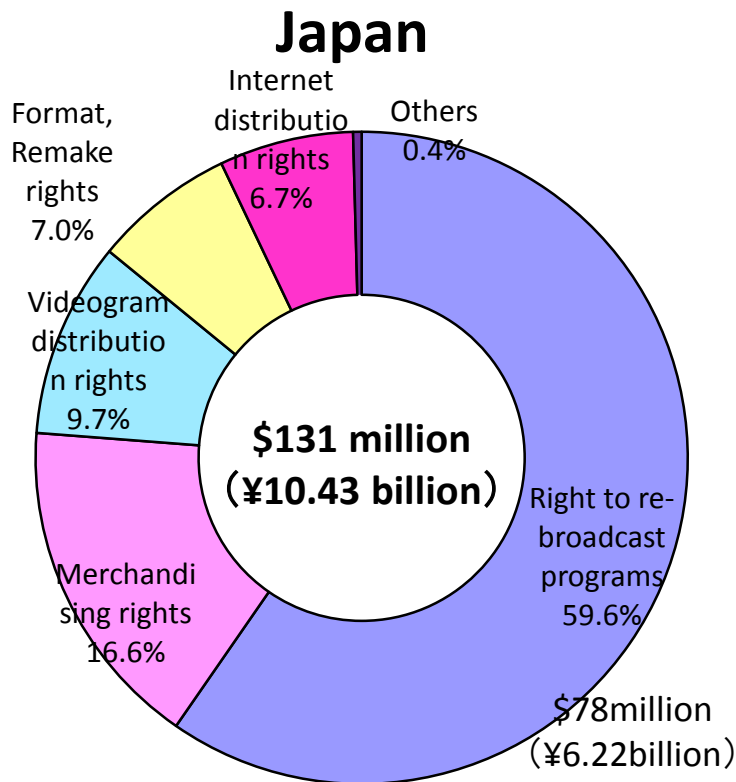
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2-1 Comparison Based on the Latest Data (FY2012)

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- In Japan, right to re-broadcast programs represented about 60% of revenue.
- In Korea, right to re-broadcast programs represented about 90% of revenue.

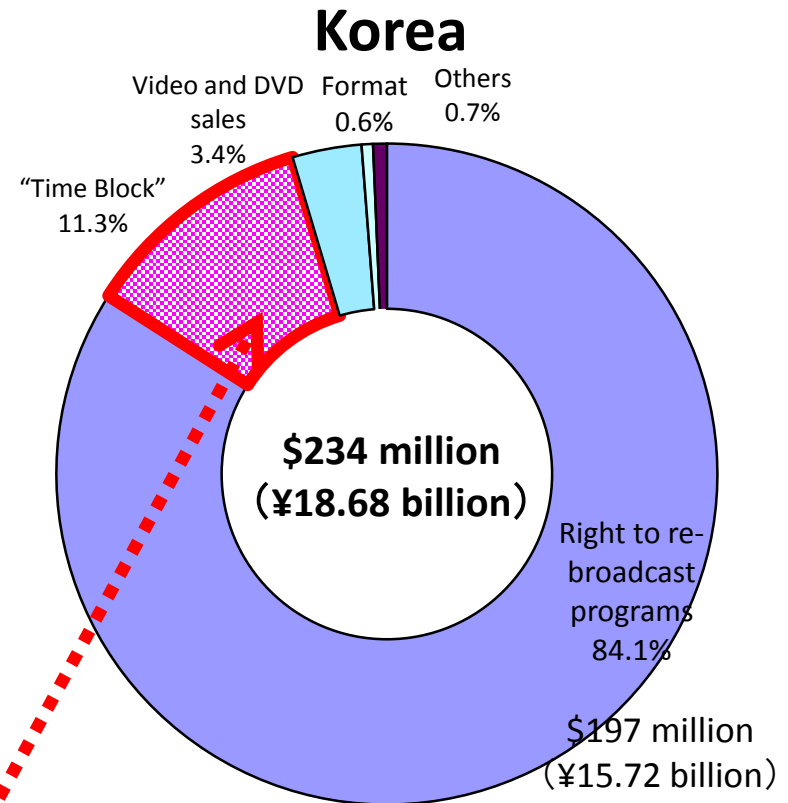
Sales Share of the TV Content Export Value by Revenue Item (2012)



Note1: Others include sales of rights to use footage materials of TV programs.

Note2: Currency exchange rates are based on the Monthly Financial Statistics of OECD.

Source: Ministry of Internal Affairs and Communications, Japan



“Time block” : to secure foreign broadcasters’ air times and broadcast Korean programs

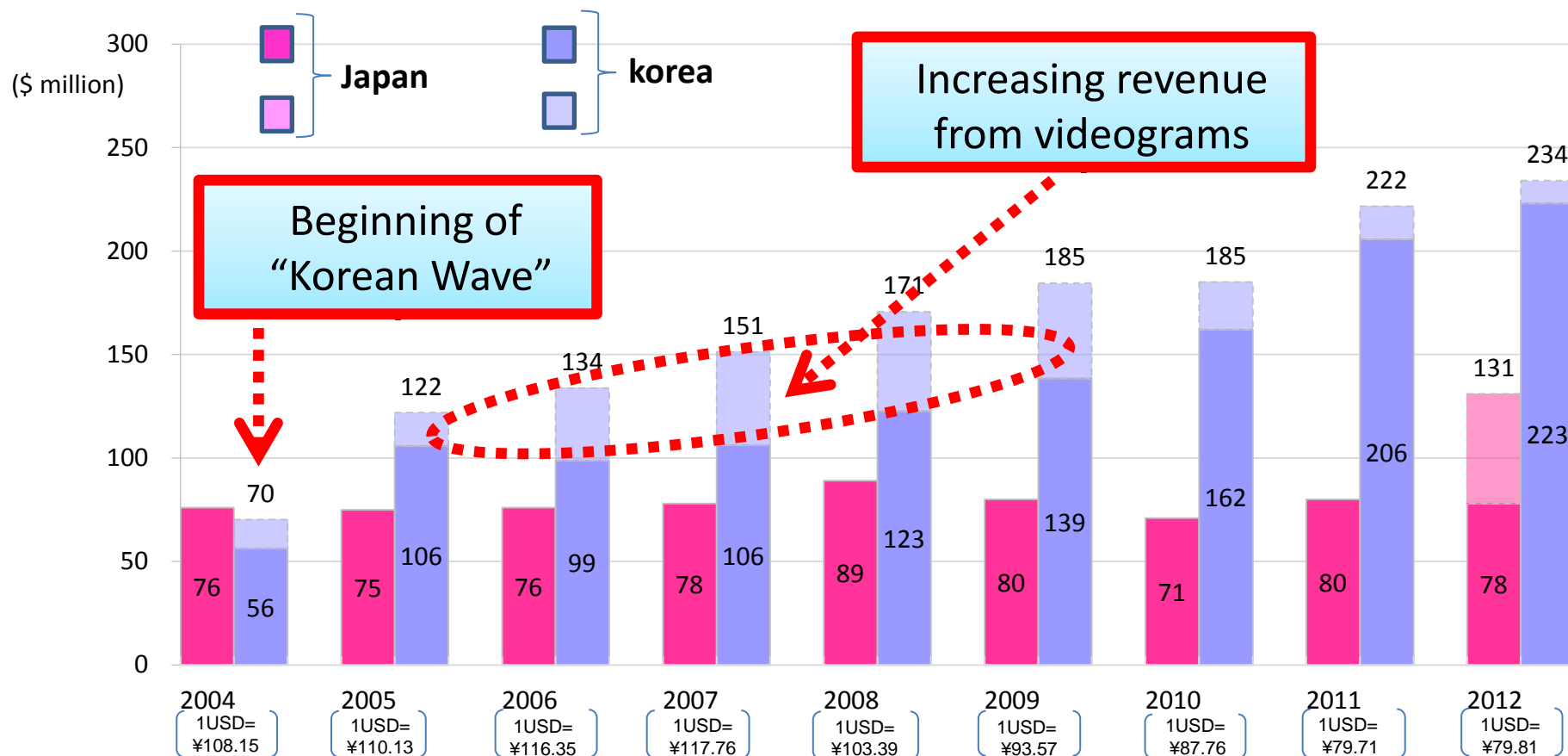
Note: Video and DVD sales include sale of physical product.

Source: Ministry of Culture, Sports and Tourism, Korea

2-2 Year-to-Year Comparison Based on the Data since 2004

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- Compare the total revenue in 2012, Korea has revenue over \$100million dollars than Japan.
- After 2005, Korea has increased the total revenue from the international sales rapidly.



Note1: Deep colors on the graph show total revenue from right to re-broadcast programs.

Note2: Light colors on the graph show revenues from associated activities such as merchandising rights, videogram distribution rights, format, remake rights and online distribution rights.

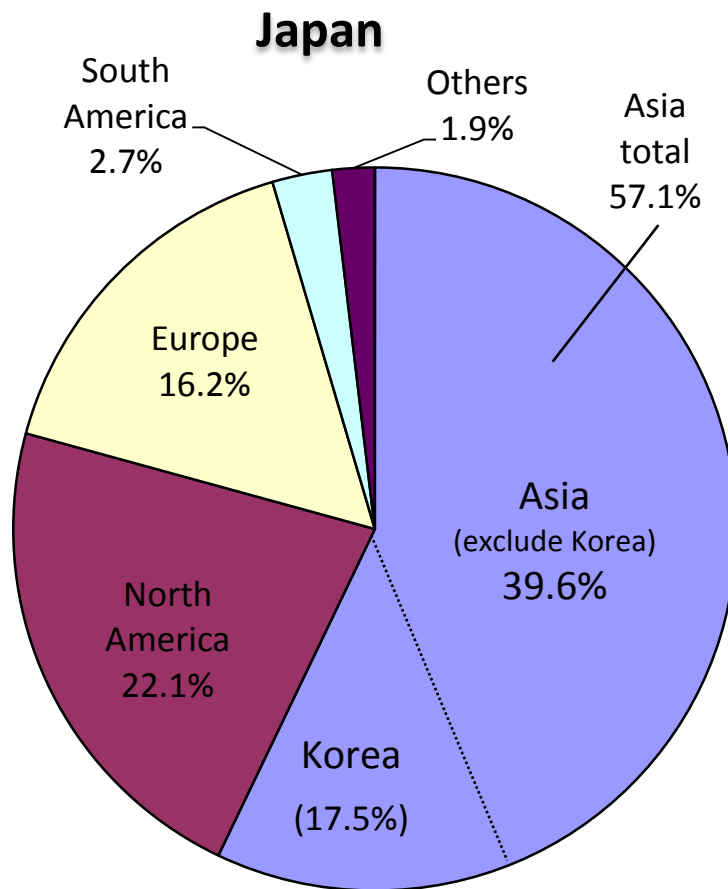
Note3: Currency exchange rates are based on the Monthly Financial Statistics of OECD.

Source: Ministry of Internal Affairs and Communications, Japan

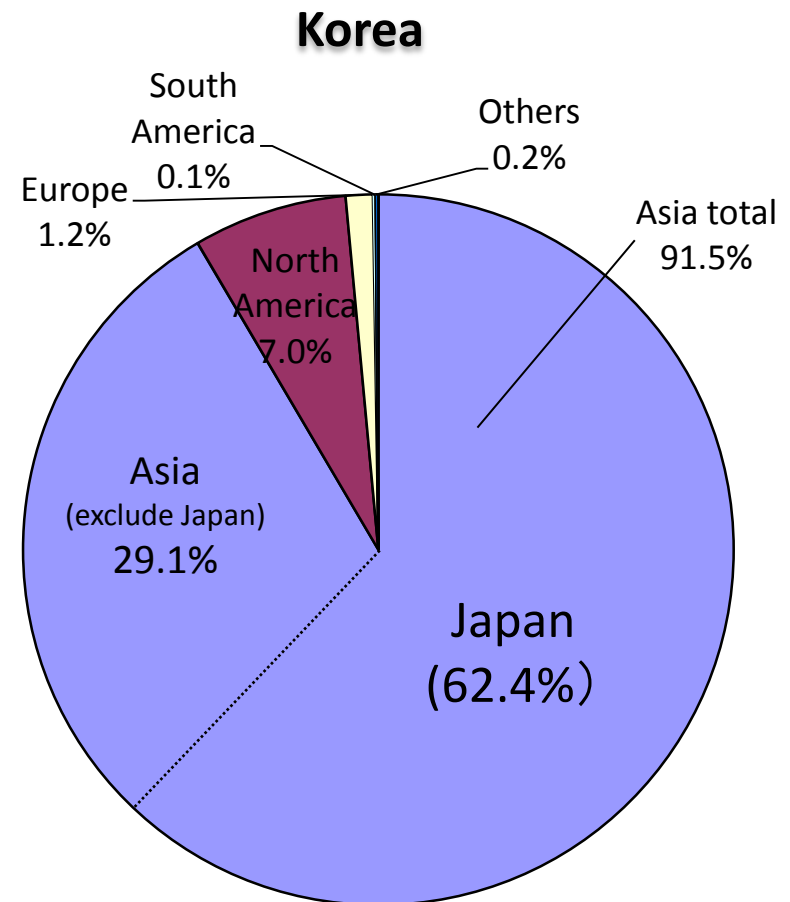
Korea Communications Commission and Ministry of Culture, Sports and Tourism, Korea

- Export destinations are mostly Asian countries both in Japan and Korea.
- Especially in Korea, Asia's share is over 90%. Above all, Japan has over 60% of the total share.

Sales Share of Right to Re-broadcast Programs by Export Destination, 2012



Source: Ministry of Internal Affairs and Communications, Japan

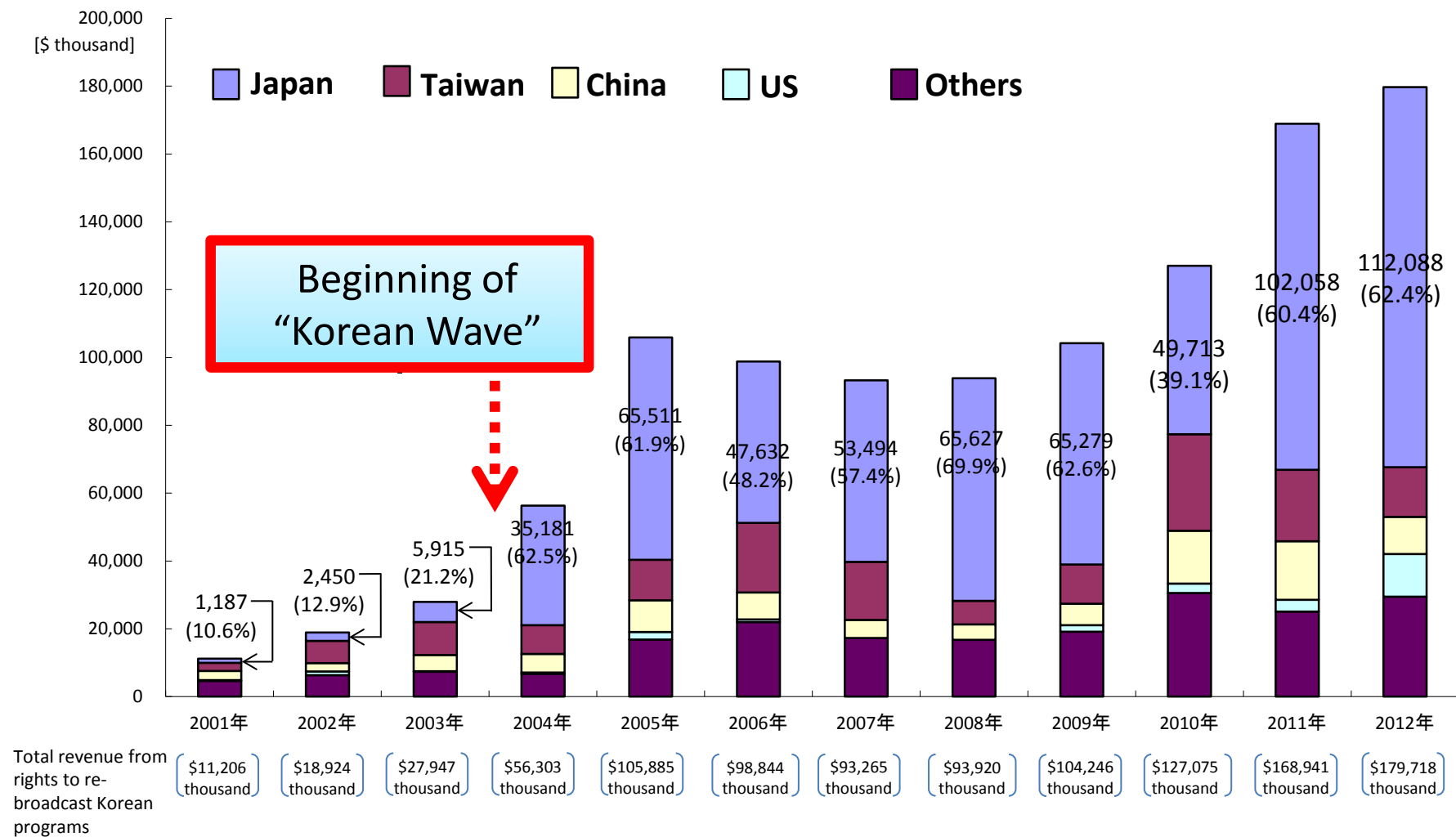


Source: Ministry of Culture, Sports and Tourism, Korea

2-4 Historical Trend in Export Value of “Korean Wave” TV Content to Japan

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- After 2004, exportation for Japan has contributed the total market expansion of Korean broadcast program exports.



Note: Sales to the U.S. are unavailable in 2007 and 2008.

Source: Korea Communications Commission, Korea

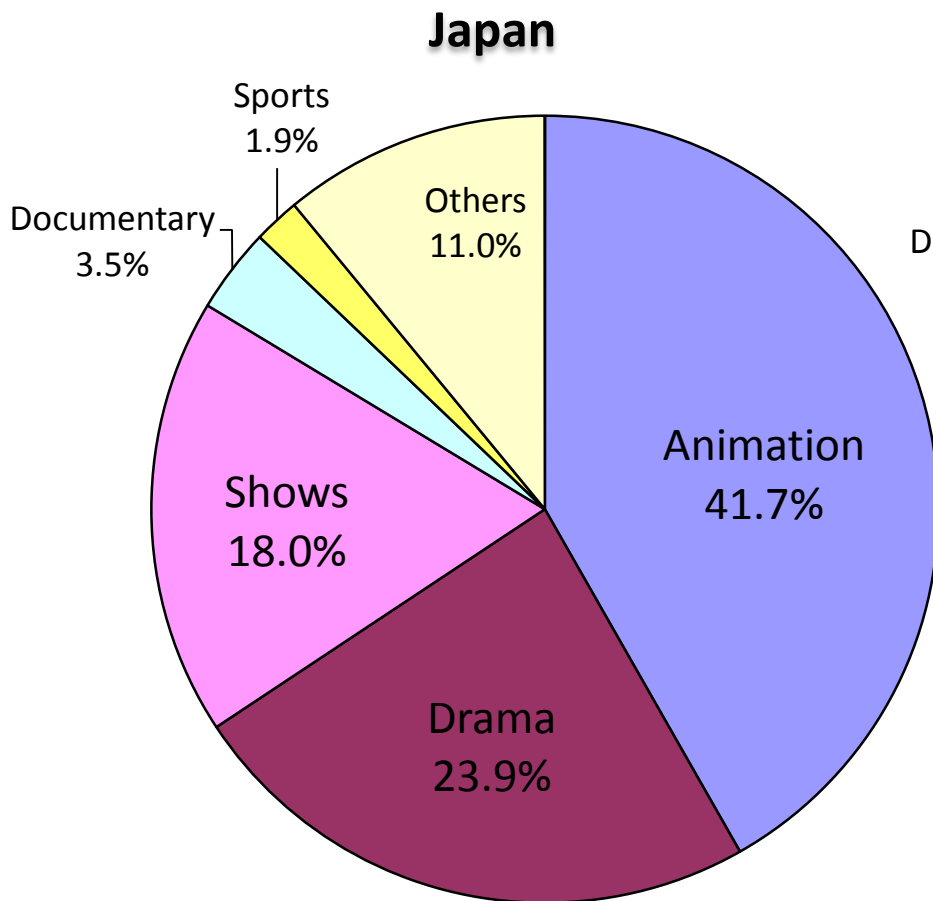
2-5 Comparison of Genres Between Japan and Korea

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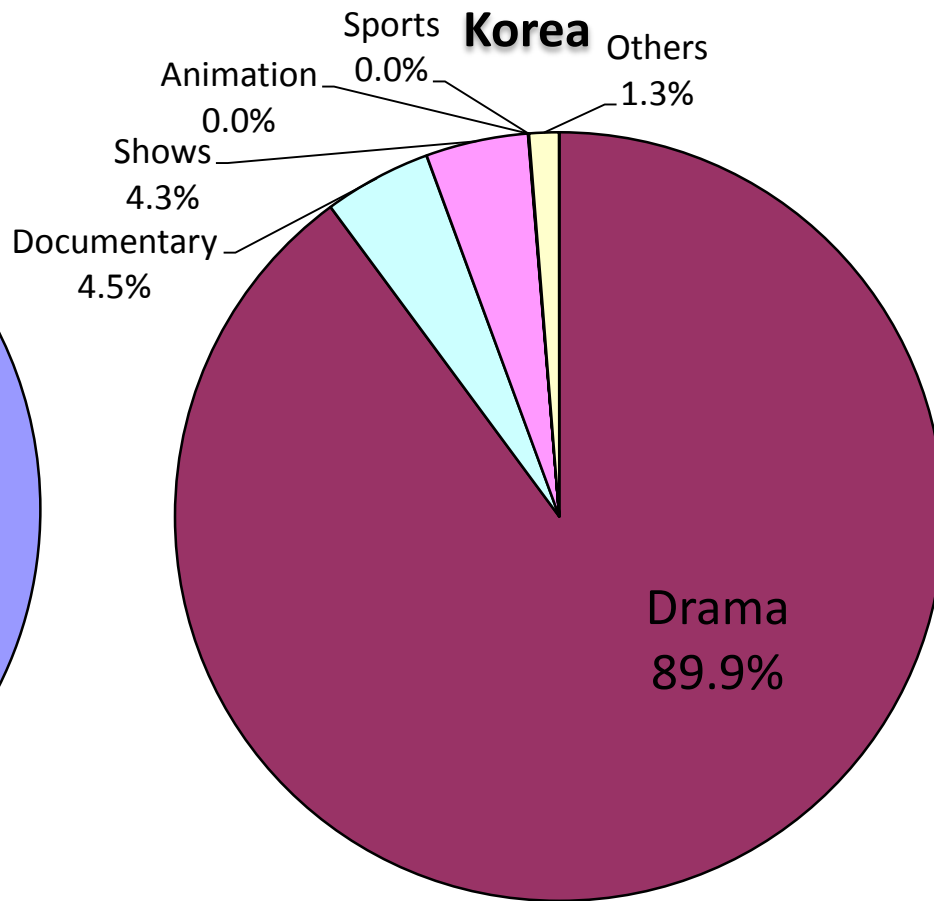
- In Japan, Animation showed the largest share, 40%. Drama was the second largest sales share and Shows came in next.
- In Korea, drama dominated almost 90% of total revenue from the international sale.

Note: Shows include Business Show, Game Show, Talent Show etc.

Sales of Right to Re-broadcast Programs by Genre, 2012

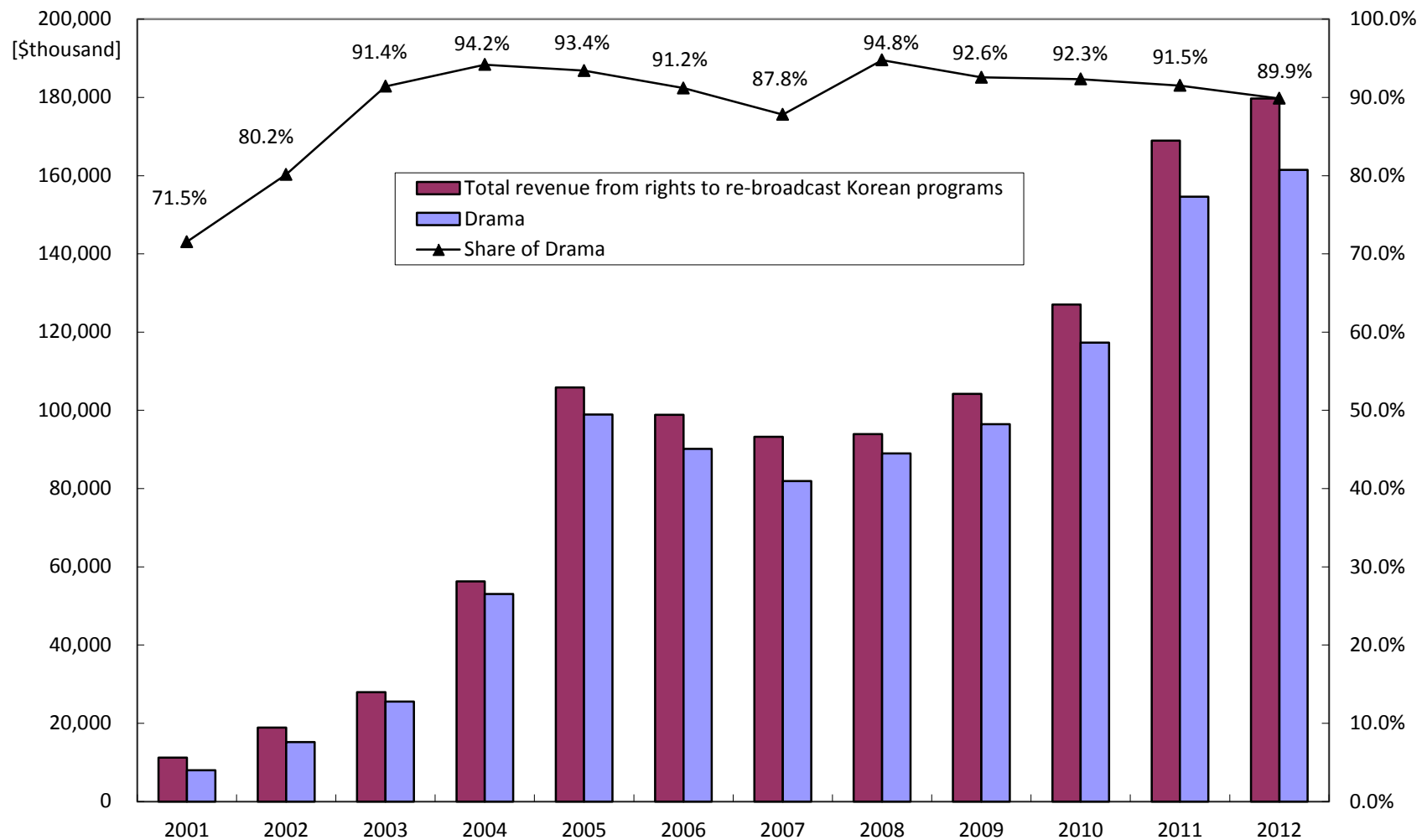


Source: Ministry of Internal Affairs and Communications, Japan



Source: Ministry of Culture, Sports and Tourism, Korea

- In the 2000th, Korean drama boom came in around Asian countries especially in Japan. It contribute the rapid increase of Right to re-broadcast Korean program.
- Recent years, Drama keeps around 90% of the total revenue in Korea.



Source: Ministry of Culture, Sports and Tourism, Korea

Strength

Various genres

⇒ Animation, Drama, Shows

Various destinations

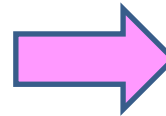
⇒ Asia, North America, Europe





Efficient worldwide introduction of “Cool Japan”

Challenge

TV content export value
was only four-thousandth
of the domestic market



Need to establish the growth of the
TV content export value as soon as
possible.

	Market size of Terrestrial broadcasting	Total revenue of TV exports
Japan (FY2012)	\$34.6billion (¥2.76trillion) 	\$131million (¥10.43billion) 

Note: Currency Exchange rates are based on the Monthly Financial Statistics of OECD.

Source: Ministry of Internal Affairs and Communications, Japan

"Cool Japan"

Fashion

Food

Living Space

Tourism

Local Specialties

Pop Culture

Music

Publications

Visual works

Exports of
Japanese
TV content

Global Markets

Asia

North America

Europe

Efficient worldwide introduction

Various genres and destinations

A Key to Success of "Cool Japan" Initiative

1. The Current State of Japanese TV Content Exports
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“Cool Japan”

- ⇒ Japanese modern culture and way of life is “cool” (“kakko-ii”) !!.
- ⇒ Japanese visual content (animation, J-pop and “manga”) have deep-rooted fans globally.
- ⇒ And Japanese fashion is popular among overseas young people who feel it “cute” (“kawaii”).

The “Cool Japan” Initiative

- ⇒ The official support scheme to introduce “Cool Japan”

TV content Exports

- ⇒ Effective way to demonstrate “Cool Japan” ; Japanese Fashion, Foods, Living space, Tourism, Local Specialties, Music, Publications, Visual works etc.
- ⇒ Not only contribute for increasing Japanese TV industry’s revenue now.

Localize

⇒ The support project was for localization such as subtitling and translation of Japanese visual content including film, TV program, animation, e-comic and game etc.

Promotion

⇒ Targets of the project were not only visual content like film and TV program but also music, publication and character goods etc.

International Co-production

⇒ Support for international co-production of TV programs under cooperation of Japanese broadcasting companies etc. and foreign broadcasting companies to produce programs together and broadcast them abroad.

“Time Block”

To hold time slot of foreign broadcasting station for airing their own program

To ASEAN Countries

“Cool Japan”

TV content

the Philippines

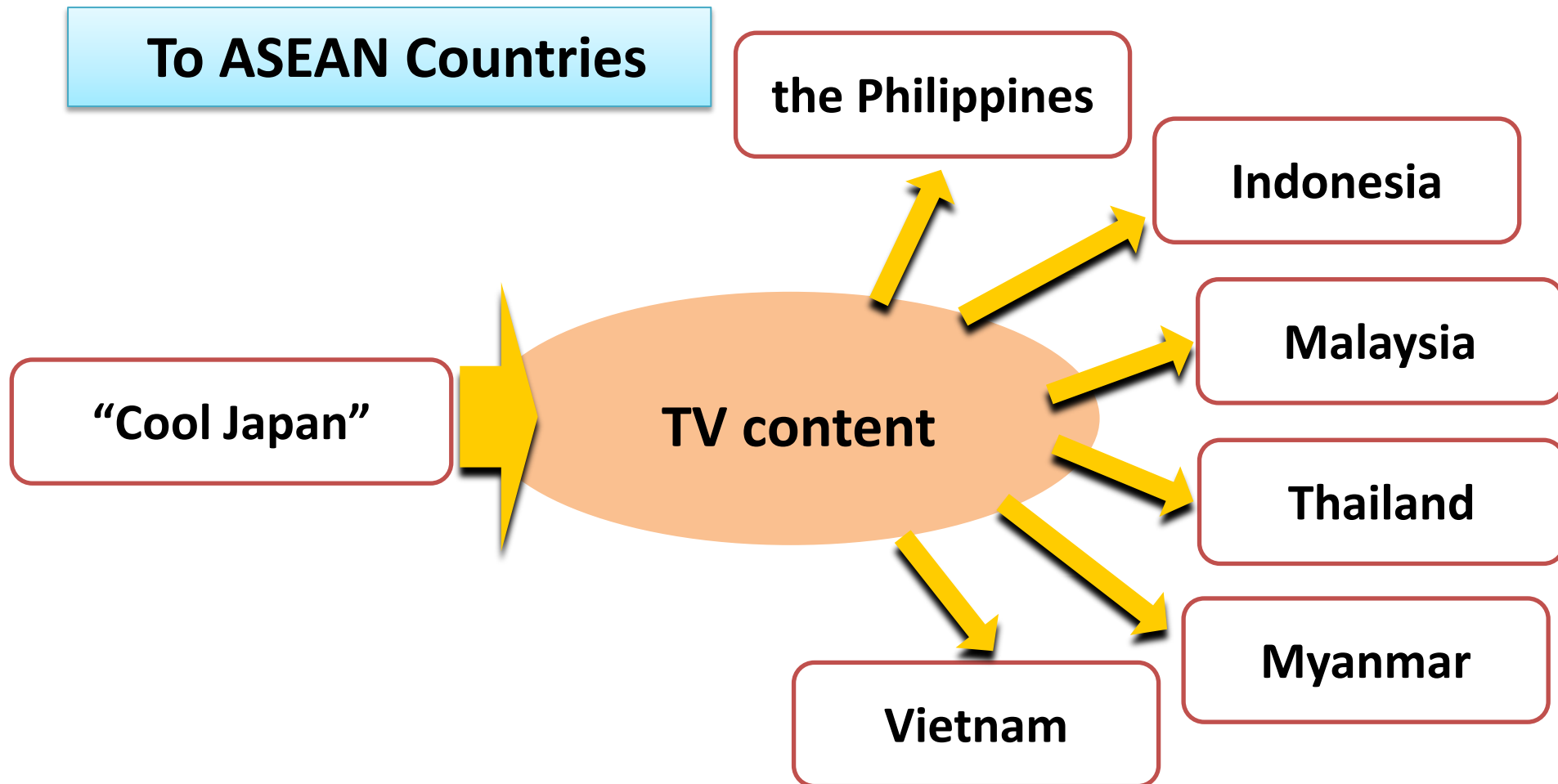
Indonesia

Malaysia

Thailand

Myanmar

Vietnam



“Japan in Motion”

⇒ TV program : Japan in Motion

the program introducing various aspects of Japanese culture and information like travel, food, history, J-pop music, fashion and underground scene etc. which are seldom introduced by general guidebooks on Japan for viewers in France.

On Air Time in France

⇒ Since 2009 the program has been broadcast from 19:00 to 19:20 every Tuesday on the cable channel NOLIFE and also rebroadcast 8 times a week.

“WAKUWAKU JAPAN” in Indonesia airs the same program

Short-term Strategy

- Localize
- Promotion
- International Co-production
- “Time Block”

Effective for the growth of Japanese TV content exports in a relatively early stage



Mid- and long- term strategies

Continuous growth of Japanese TV content exports for a long period is still a challenge.

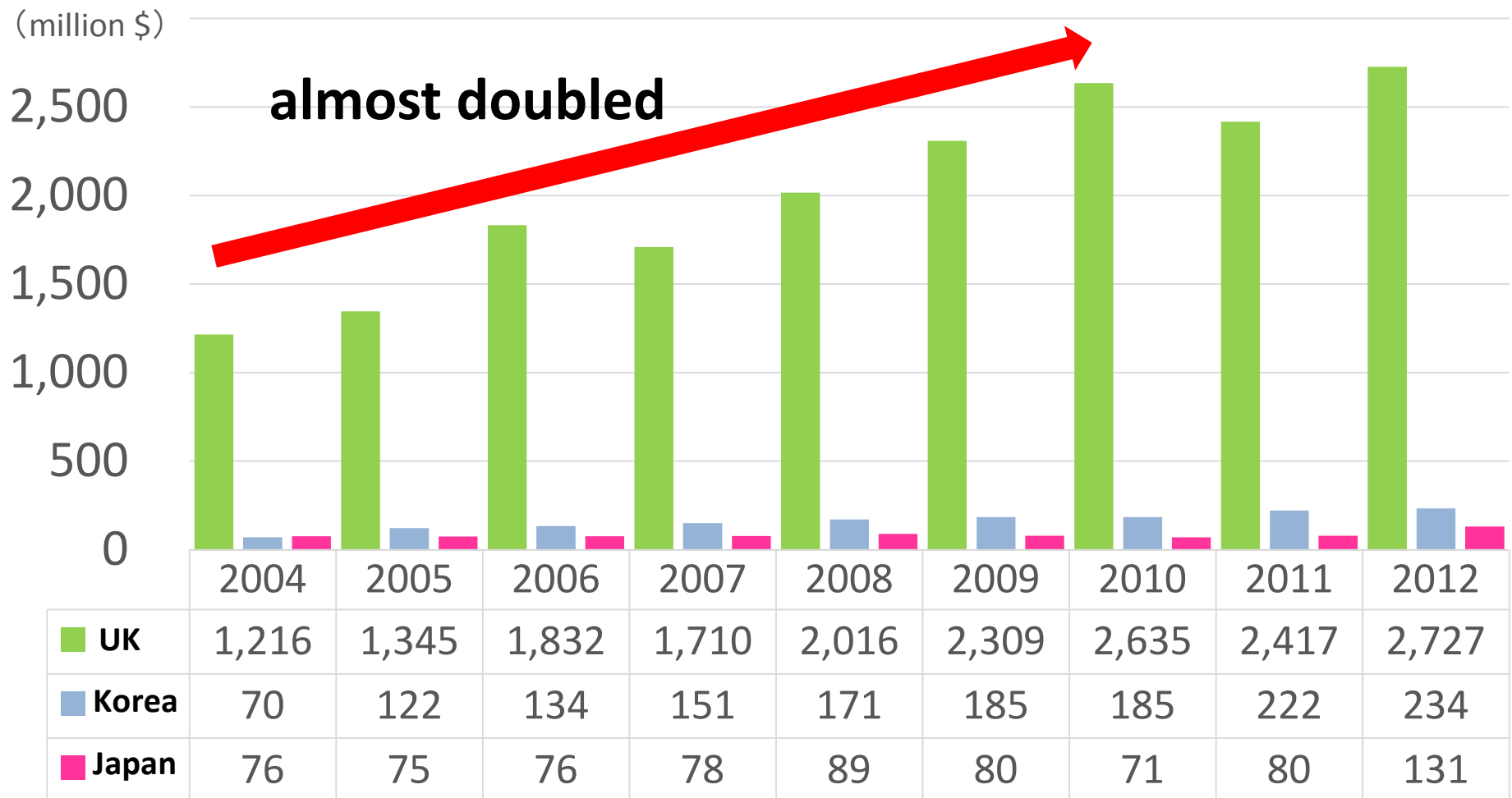


Case Study of Overseas Precedents

⇒ The UK creative industry initiative

3-6 UK TV Content Export Value (2004 to 2012)

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Note: Currency exchange rates are based on the Monthly Financial Statistics of OECD.
 Source: Office for National Statistics, *International Trade in Services*, the UK

1997 Tony Blair's Labor government established

Set out the Creative Industries Task Force-CITF

→Creative industry initiative has started with the catch phrase “Cool Britannia”



1998 “Creative Industries Mapping Documents 1998” from Department of Culture, Media&Sport; DCMS

⇒13 categories

“Advertising”, “Antiques”, “Architecture”, “Crafts”, “Design”, “Fashion”,
“Film”, “Leisure software”, “Music”, “Performing arts” “Publishing”,
“Software”, “TV and radio”



2001 “Creative Industries Mapping Documents 1998” from DCMS

⇒13 categories

“Advertising”, “Architecture”, “Art and antiques markets”, “Crafts”,
“Design”, “Designer fashion”, “Film and video”, “Interactive leisure
software”, “Music”, “Performing arts” “Publishing”, “Software and
computer services”, “Television and radio”

2008 “Creative Britain” (DCMS)

⇒ 26 commitments under 8 main themes

⇒ the first comprehensive policy for creative industries connected with budget allocations

1 Giving all children a creative education	■ Establishing the ‘Find Your Talent’ program piloting five hours of culture a week for children and young people with £25 million for 3 years
2 Turning talent into jobs	■ Creating Talent Pathway Scheme etc.
3 Supporting research and innovation	■ Providing £10 million to inspire new collaborative research and development ideas for the creative industries etc.
4 Helping creative businesses grow and access finance	■ Establishing a network of regional beacons for the creative industries etc.
5 Fostering and protecting intellectual property	■ Consulting on legislation for taking action on illegal file sharing – with a view to implementing legislation by April 2009 etc.
6 Supporting creative clusters	■ Piloting regional creative economy strategic frameworks in two regions, the North West and South West etc.
7 Promoting Britain as the world’s creative hub	■ Leading a five-year strategy to enhance the international competitive position of the UK’s creative industries etc.
8 Keeping the Strategy up-to-date	■ Putting in place the right structures to ensure that the Creative Economy Program keeps pace with developments on the ground

3-9 UK TV Content Export Value (2004 to 2012)

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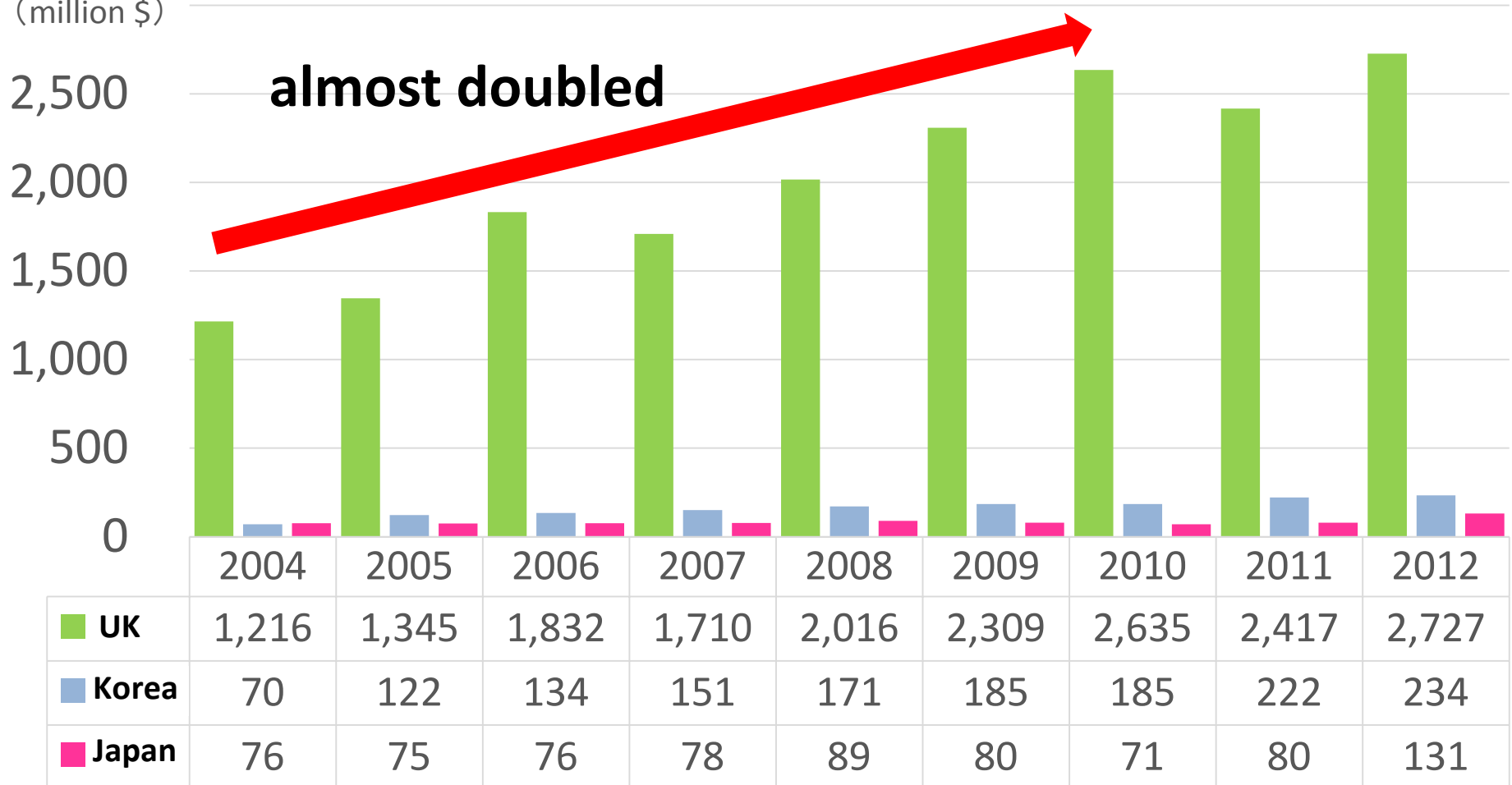
**1997
Cool Britannia**



**2008
Creative Britain**

(million \$)

almost doubled



Note: Currency exchange rates are based on the Monthly Financial Statistics of OECD.
Source: Office for National Statistics, *International Trade in Services*, the UK

Section 16(2)(h) and 25(2)(f) of Broadcasting Act 1990

Section 277 of Communications Act 2003

⇒ mandated public service broadcaster to commission at least 25% of their output from independent production companies

Ensured a room for the growth

Section 285 of the Communications Act 2003

⇒ Justified regulatory intervention on commissioning agreement between broadcasting companies and independent production companies. ⇒ OFCOM published the guidance

Provided better business environment

Ofcom(18 December 2003) “Guidance for broadcasters in drafting codes of practice for commissioning programmes from independent suppliers.

⇒ enabled independent production companies retain rights of TV programs commissioned by broadcasting companies.

Increased business and financing opportunities

Increase of the export revenue of the independent production companies

3-11 UK TV Content Export Value (2004 to 2012)

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1997
Cool Britannia



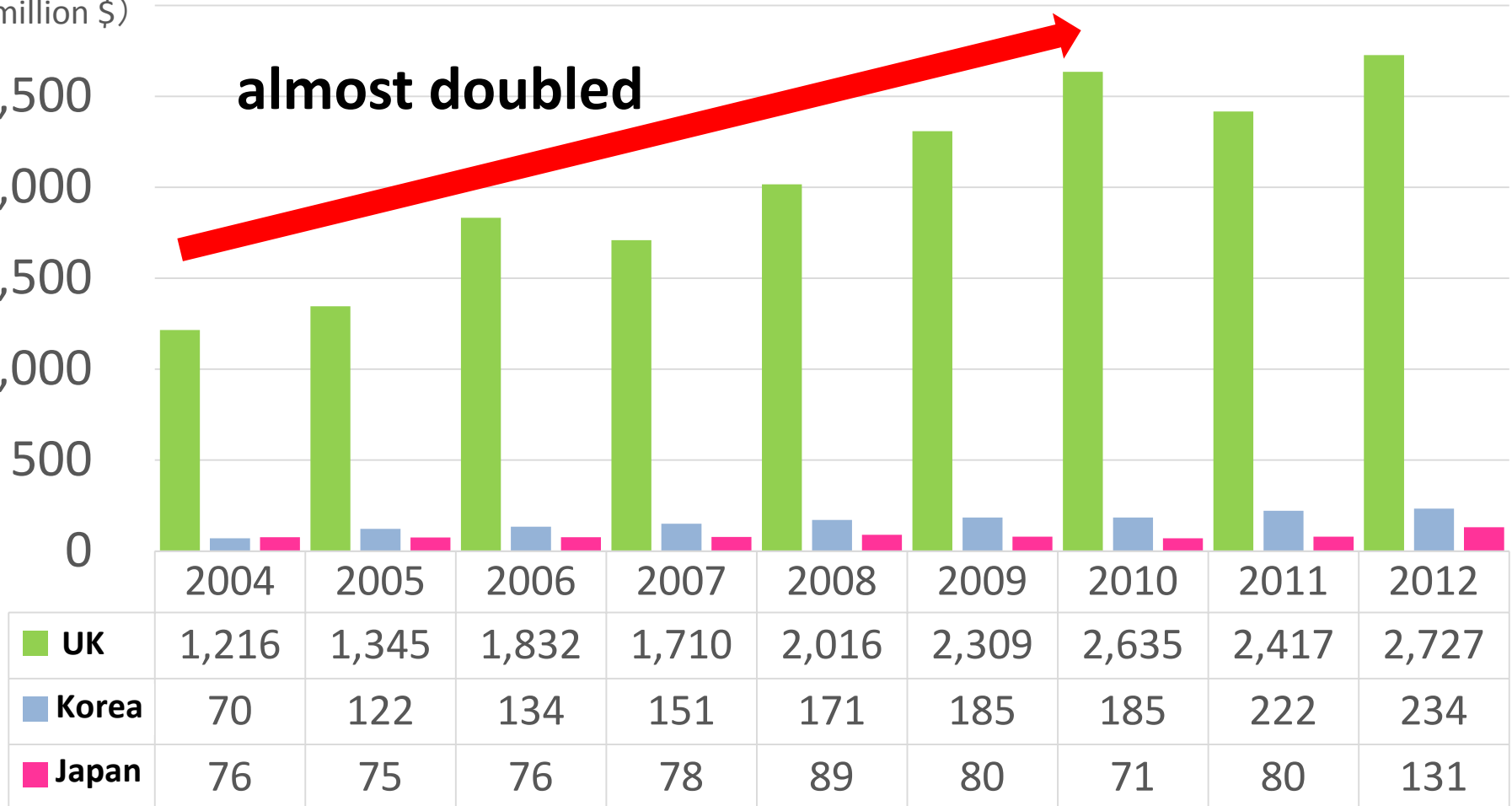
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“Cool Japan”

Fashion

Food

Living Space

Tourism

Local Specialties

Pop Culture

Music

Publications

Visual Works

**TV content
Exports**

the attractiveness of
Japanese modern culture and lifestyle

Global Markets

Asia

North America

Europe





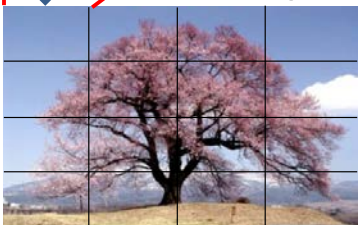

Ripple effects

Rise of international consumption
of Japanese products

Increase of tourists from abroad
Boost consumption in Japan

To global marketplace

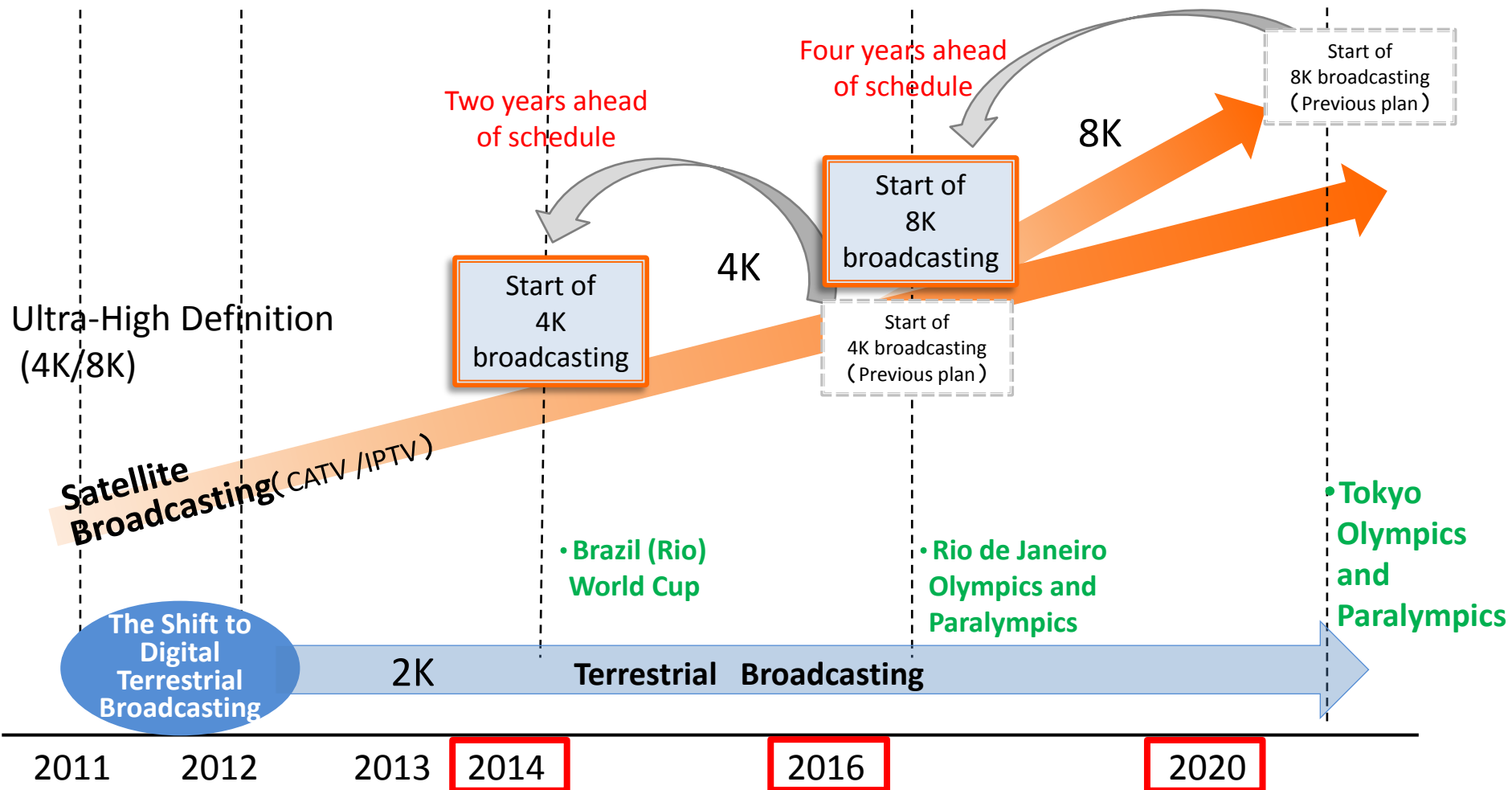
- In Japan, the digitalization of broadcasting has been completed with advanced infrastructure developed for high-definition broadcasting and interactive services in March 2012.
- In 2006, the ITU (International Telecommunication Union) standardized the specifications of the Ultra-High Definition TV, the display image quality of which is higher than that of conventional Hi-vision.
- The specifications cover two types of resolutions, i.e., 4K and 8K, where "K" stands for 1000. On the other hand, the conventional Hi-vision has a resolution of 2K.
- The definition of 4K means there are four times as many pixels than the present hi-vision (2k) level (about 2 million pixels). 8K indicates 16 times as many pixels. With using 4K and 8K technology, TV content enable to have high-definition, optical depth.

	Resolution	Display size (presumed)	Practical situation
2K	 <p>About 2 million pixels $\left(\begin{array}{l} 1,920 \times 1,080 \\ = 2,073,600 \end{array} \right)$</p>	<p>32 inches, etc.</p> 	<p>TV (HDTV broadcasting, e.g., digital terrestrial TV broadcasting)</p>
4K	<p>4 × (4K ← 2K)</p>  <p>About 8 million pixels $\left(\begin{array}{l} 3,840 \times 2,160 \\ = 8,294,400 \end{array} \right)$</p>	<p>50 inches, etc.</p> 	<p>Movie (Digital production and distribution)</p>
8K	<p>16 × (8K ← 2K)</p>  <p>About 33 million pixels $\left(\begin{array}{l} 7,680 \times 4,320 \\ = 33,177,600 \end{array} \right)$</p>	<p>85 inches, etc.</p> 	<p>Experimental stage</p>

4-3 Roadmap for Ultra-High Definition TV (4K/8K)

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- “4K” test broadcasting had launched in 2014, “8K” test broadcasting will start in 2016 via satellite broadcasting.
- Aim for the “4K” and “8K” broadcasting in Japan
—it will become widely used in 2020.



Thank you so much
for your attention.