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ForesightLAB



Creative Technology in South Korea

A Foresight Lab Policy Snapshot

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The CoSTAR Foresight Lab

Driven by the UK's leading Creative Industries experts, the CoSTAR Foresight Lab is researching the adoption, use and impact of new, emergent and convergent technologies in gaming, TV, film, performance and digital entertainment.

Our findings will inform research, development and innovation across the Creative Industries, including the R&D taking place through the convergent screen technologies and performance in real time (CoSTAR) programme, the UK R&D network for creative technology.

CoSTAR is a £75.6 million national R&D network of laboratories that are developing new technology to maintain the UK's world-leading position in gaming, TV, film, performance, and digital entertainment. Delivered by the UKRI Arts and Humanities Research Council, the programme is supporting new innovations and experiences that will enrich the UK's creative industries, economy, and culture. The network comprises the National Lab, the Realtime Lab, the Live Lab, the Screen Lab and the Foresight Lab. CoSTAR is funded through UK Research and Innovation's Infrastructure Fund, which supports the facilities, equipment and resources that are essential for researchers, businesses, and innovators to do groundbreaking work. You can find out more by visiting www.costarnetwork.co.uk.

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Introduction

This Policy Snapshot is one of several short studies being undertaken by the CoSTAR Foresight Lab, aiming to provide information and insights on policies being developed to support the adoption of technologies in the Creative Industries around the world. These provide a high-level overview of select key policy developments and initiatives related to film, television, games, performance and digital entertainment as they relate to convergent technology R&D and innovation – helping to build understanding of both international developments and opportunities for UK trade and collaboration.

The Policy Snapshots, conducted between June 2025 and October 2026, include India, Japan, Australia, ASEAN & the Philippines and South Korea. They are complemented by regular International Scans undertaken in partnership with Olsberg·SPI, which aim to track industrial developments and emerging policy signals, and should be read in parallel.
This Policy Snapshot presents a high-level summary of policies and strategies related to the Content Industries and convergent technology innovation for South Korea. This snapshot study will present:

- Overview of the South Korea Content Industries
- Content Industries policies
- Creative technology policy
- AI policy

Definitions and key terms

South Korean policy does not use the term Creative Industries, preferring Content Industries or Content-based Industries (and which will be used in this report). According to the definition under Content Industry Promotion Act, para.2 of Article 2, the Content Industry is 'any industry related to the production, distribution, use, etc. of contents creating economic added value or services providing such content (including compounds thereof)'. The term reflects South Korea's practical, state-supported approach to developing content as a tradable sector linked to exports, IP, technology adoption and industrial growth.

The classification of the Content Industry was drawn up with reference to the OECD classification of content and media industries and UNESCO's 2009 Framework for Cultural Statistics, and comprises twelve industries: publishing, comics, music, film, games, animation, broadcasting, advertising, characters[1], knowledge and information, content solutions[2], and live performance. The special classification was amended for the second time and promulgated on 27 December 2024 to reflect the eleventh revision of the Korean Standard Industrial Classification and changes in the industrial environment. The trend analysis reports published by the Korea Creative Content Agency, by contrast, aggregate revenue, exports and employment across eleven genres, excluding live performance. 'Eleven genres' and 'twelve industries' therefore both appear in the literature. This is not an error but a difference of classificatory purpose, and figures on the two bases are not interchangeable. Additionally, South Korea's legislation and budget systems adopted the term 'culture technology', under which the research and development budget of the MCST is organised.

1 In South Korea, the characters sector covers businesses that commercialise cartoon or comic character images through licensing, product manufacturing and distribution. Its scope is therefore broader than character licensing alone.

2 Content solutions are the technologies and services that support content creation, protection, payment, mobile delivery and distribution: e.g. software of creating contents, content security solutions, mobile solutions, online payment platforms, content distribution networks, etc

Technological leadership and Content Industry

South Korea's technological leadership

South Korea is a high-income, export-oriented economy with a population of 51.8 million according to the OECD latest available statistics from 2024. The scale of South Korea's economic transformation is reflected in the growth of its income levels: GDP per capita rose from just USD 64 in 1955, when the country ranked among the world's poorest economies, to approximately USD 36,128 in 2024, while average annual wages reached USD 35,033 in 2023. A major factor underpinning this progress has been the country's long-standing emphasis on export-oriented industrialization, with exports contributing 44% of GDP in 2023.

South Korea is a highly industrialized and technology-driven economy, which success has positioned the country as the fourth-largest economy in Asia, following China, Japan, and India, and among the world's leading economies. Rapid industrialization and sustained economic growth have contributed to increased national prosperity and significant reductions in poverty. South Korea's development trajectory is frequently cited as an example of how strategic industrial policies, investment in human capital, and global trade integration can facilitate a transition from a developing to a highly advanced economy.

A key pillar of South Korea's competitiveness is its leadership in technology and innovation. South Korea has established itself as a global innovation leader, placing fourth worldwide in the 2025 Global Innovation Index and ranking first in Asia. This position reflects its sustained commitment to innovation, evidenced by R&D expenditure of USD 87 billion in 2023, representing 4.96% of GDP and the second-highest share among OECD member countries. The country has become a global hub for information and communication technologies (ICT), hosting internationally dominant firms in electronics, semiconductors, and digital technologies. Companies such as Samsung have played a prominent role in shaping global technological innovation, while Hyundai has emerged as a pioneer in the electric vehicle sector through its integration of advanced digital and information technologies. South Korea's technological achievements have enabled it to become a leading force in the global electronics industry, surpassing traditional competitors and establishing itself as one of the world's most technologically advanced economies.

South Korea's Content Industry overview

Global success of South Korea's Content Industries stems from both high production quality and shifts in digital distribution, including streaming platforms, social media, mobile-first formats, and fan-driven online communities. As a result, South Korea's Content Industries have become a major force in global entertainment, overcoming linguistic and cultural barriers. The Korea Foundation estimates that the global Hallyu fan base exceeded 225 million in 2023, reflecting its transformation into a mainstream global cultural phenomenon. Supported by government policies and global streaming platforms, Hallyu – which refers to the growing international popularity and consumption of South Korean popular culture and related cultural products - has strengthened South Korea's economy and enhanced its international soft power. The Hallyu, or the Korean Wave, has evolved through three phases. Korean Wave 1.0 emerged in the mid-1990s with the regional popularity of Korean television dramas. Korean Wave 2.0 expanded globally from the mid-2000s to early 2010s, driven by K-pop and the rise of social media. Since the mid-2010s, Korean Wave 3.0 has broadened into a wider cultural phenomenon, connecting Korean content with food, language, tourism.

According to the 2025 Content Industry Survey, Content Industries revenue in 2024 was USD 111.02 billion, up 2.1% from USD 108.74 billion in 2023, and exports were USD 14.07 billion, up 5.5%. The number of organisations rose 2.4 % to 120,875 and employment rose 3.4% to 688,121. The survey is conducted on the basis of the Special Classification of the Content Industry and covers organisations in eleven fields: publishing, comics, music, film, games, animation, broadcasting, advertising, characters, knowledge and information, and content solutions. The largest segment by revenue was broadcasting and video, at USD 17.63 billion.

The composition of exports differs considerably from that of revenue. Games accounted for 60.4% and music for 12.8% of 2024 exports. The fields best known internationally are video and music, yet more than half of export earnings come from games.

Provisional trend figures show growth continuing in 2025. (The trend analysis figures combine establishment surveys, listed-company results and basic industry statistics.) Revenue rose 2.6% to USD 113.89 billion and exports rose 5.9% to USD 14.9 billion. Employment rose slightly to 693,090.

Table 1. National statistics on Content Industries' scale, exports and employment

Item	2024	2025
Revenus	USD 111.02 billion (+2.1%)	USD 113.89 billion (+2.6%)
Exports	USD 14.07543 billion (+5.5%)	USD 14.90582 billion (+5.9%)
Organisation	120,875 (+2.4%)	n/a
Employment	688,121 (+3.4%)	693,090
Source	2025 Content Industry Survey	Q4 and Annual 2025 Content Industry Trend Analysis Report

Sources: Ministry of Culture, Sports and Tourism (2026a); Korea Creative Content Agency (2026a). The two sources differ in survey method and publication timing and do not form a single series.

Performance varied significantly across content genres. Revenue growth was strongest in music, which increased by 15.8%, followed by knowledge and information services (7.8%), comics (7.4%), and animation (6.8%). In contrast, revenue declined in advertising (-1.7%), broadcasting (-1.3%), and publishing (-1.2%). Export performance showed even greater variation. Music exports recorded the highest growth at 32.4%, followed by film (19.9%) and character-related content (12.8%). Meanwhile, exports of content solutions (-10.3%), animation (-7.6%), and publishing (-3.1%) declined. The strong growth in music is largely attributable to increased revenues from major entertainment agencies and the expansion of international touring activities. Growth in the comics sector reflects rising global demand for webtoons, a digital comic format originating from South Korea.

Table 2 Growth in revenue and exports by genre

Genre	Revenue growth (%)	Export growth (%)
Music	+15.8	+32.4
Knowledge & Information	+7.8	N/A
Comics	+7.4	N/A
Animation	+6.8	-7.6
Film	N/A	+19.9
Characters	N/A	+12.8
Publishing	-1.2	-3.1
Broadcasting	-1.3	N/A
Advertising	-1.7	N/A
Content Solutions	N/A	-10.3

The development of Content Industries policy

Historical Note

The evolution of South Korea's Content Industry policy developed from a focus on heritage preservation, national identity, and protection from foreign influence to a strategy centred on economic growth and global competitiveness. During the 1980s and 1990s, rising living standards, relaxed censorship, and market liberalisation increased domestic demand for content products and encouraged a shift towards export-oriented Content Industries. From the mid-1990s, the government further opened the market through measures such as reducing film screen quotas.

Unlike more market-led, arms-length creative economy models, South Korea adopted a developmental-state approach, using targeted interventions to shape the sector's growth. Through public agencies, export support, financing mechanisms, and stronger copyright protection, the government actively fostered a globally competitive content ecosystem. While the state has played an important role in setting strategic direction and building enabling institutions, the sector's growth has increasingly been driven by private firms, creators, platforms, investors and global audiences.

The strategic prioritisation of the Content Industry development rests on implementing of the Framework Act on the Promotion of Cultural Industries in 1999 under the Kim Dae-jung administration. The Act established legal definitions, clarified government responsibilities, and introduced accountability mechanisms, providing the foundation for subsequent policies and programmes supporting the content industries, thus providing the foundation for many of the policy measures that followed. The Kim administration further reinforced this agenda through four comprehensive cultural policy plans and the creation of specialised agencies to support key subsectors, including video games, film, broadcasting, comics.

Since the early 2000s, successive governments have pursued a long-term vision of making South Korea the top five powers in the global entertainment market. Major milestones include the establishment of the Fund of Funds in 2005 to provide venture capital for content industries, with film projects being the main investment targets, the creation of the Korea Creative Content Agency (KOCCA) in 2009 as the central coordinating body for the sector, and the enactment of the Content Industry Promotion Act in 2011 to complement the Framework Act. The Framework Act requires the development of forward looking master plans every three years, accompanied by annual implementation plans and systematic monitoring of industry performance. These strategic plans are supported by detailed market intelligence, with the MCST publishing annual reports on domestic and international content markets.

Table 3. Key public and industry bodies and their functions

Body	Principal functions	Example
Ministry of Culture, Sports and Tourism (MCST)	Overall content industry policy; preparation of the basic plan; culture technology R&D; copyright policy and enforcement	Content Industry Promotion Act; Copyright Act; 2026 budget of USD 5.770 billion
Content Industry Promotion Committee (within MCST)	Deliberation on the basic plan and implementation plans	Content Industry Promotion Act
Korea Creative Content Agency (KOCCA), affiliated with MCST	Production support; management of culture technology R&D; skills development; export and overseas market support; industry statistics and trend analysis	AI content production support; overseas business centres; trend analysis reports
The National IT Industry Promotion Agency (NIPA), affiliated with MSIT	Implementation of government policies to support emerging technologies	
The Korea VR/AR Content Association (KOVACA)	Immersive technology sector support, promotion of the adoption of VR/AR content, training, incubation, prototype development	
The Ministry of Trade, Industry and Energy (MOTIE)	Support for technologies related to VR/AR/MR devices.	
Ministry of Science and ICT (MSIT)	AI policy; digital and data infrastructure; ICT research and development	Responsible for the AI Framework Act and its Enforcement Decree
National AI Strategy Committee	Deliberation and resolution on major AI policy; confirmation of the AI basic plan	AI Framework Act ; established under the President, who chairs it
Korea Copyright Protection Agency	Monitoring of copyright infringement; deliberation; support for responses to infringement abroad	Operation of the Copyright Protection Deliberation Committee
Local government	Culture city development; regional cultural infrastructure and support for regional creative businesses	13 Korea Culture Cities

Financing, internationalisation and network of clusters

Financing has been a central mechanism of Korea's Content Industry strategy. The government has sought to address structural funding challenges through a combination of investment funds, loan guarantees, and tax incentives. Between 2006 and 2021, the Fund of Funds invested approximately USD 2 billion in domestic Content Industries. KOCCA complements this support through government-backed guarantee programmes and content valuation services, helping creators and firms access finance. In addition, production tax credits, first introduced for film and television in 2017, can reimburse up to 30% of qualifying expenditure.

Internationalisation has remained a central objective throughout Korea's content policy agenda. KOCCA has established a global network of overseas offices to support market entry, business development, and international partnerships. Recent policies have increasingly focused on strengthening the competitiveness of K-content in global digital markets, particularly in response to the growth of online streaming platforms. This includes dedicated investment funds for streaming content production, support for IP development, and the extension of existing incentive schemes to cover digital content formats.

Beyond direct financial support, South Korea's Content Industry policy places strong emphasis on creating enabling environments for creators and creative businesses. Dedicated support centres for Content Industry subsectors provide start-ups, SMEs and individual creators with affordable workspaces, subsidised rents, training, research support and business services tailored to the needs of specific content sectors. For example, the nationwide Global Game Centers offer game developers heavily subsidised premises and operational support, while the Webtoon Fusion Centre provides dedicated creative facilities for comic and webtoon creators. These initiatives are part of a broader strategy to develop a nationwide network of creative clusters that bring together interconnected industries, talent, and support services in a single location. The most prominent example is Seoul's Digital Media City, which co-locates production facilities, digital media firms, visual effects studios and post-production services, alongside legal, marketing and intellectual property support. By concentrating resources, expertise and industry networks, these clusters aim to foster innovation, accelerate content production and strengthen the commercialisation and global competitiveness of Korean Content Industries.

2024 Third Basic Plan for Content Industry Promotion

The current policy framework continues to build on these foundations. The Third Basic Plan for Content Industry Promotion, confirmed on 18 June 2024, is organised around four axes:

- establishing K-content as a national strategic industry;
- creating jobs through the growth of content firms;
- achieving mainstream global status; and
- concentrated support for core genres.

South Korea has identified the Content Industry as a major driver of future economic growth and aims to become the world's fourth-largest content market by 2027, behind only the United States, China, and Japan. To support this ambition, the government plans to invest USD 2.5 billion over five years through policy and strategic investment funds. A key element of the strategy is attracting more international investment by opening government-backed funds to overseas venture capital firms, which have so far played only a limited role in the sector. Funding will also support R&D development in performance, video and games. The government aims to increase content exports to USD 25 billion by 2027, almost double the 2022 level (USD 13.24 billion).

Under the Basic Plan for Content Industry Promotion, separate genre-level sector plans sit beneath it. The largest of these in relation to creative technology concerns games. On 1 May 2024 the government announced the Comprehensive Plan for the Promotion of the Games Industry (2024–2028). The plan sets targets of USD 21.16 billion in games revenue, USD 12 billion in games exports and 95,000 people employed in the sector by 2028, with concentrated development of console and indie games, regulatory reform and user protection, and the broadening of the industrial base through esports as its main tasks. The domestic games industry was the fourth largest in the world with revenue of USD 15.62 billion in 2022, but the plan also noted that growth in domestic and overseas markets had been slowing since the COVID-19 period.

2026 Action Plan of the MCST

The MCST's 2026 Action Plan focuses on four priorities:

- establishing K-Culture as a key growth industry,
- strengthening Korea's cultural ecosystem,
- attracting 30 million inbound tourists through K-Tourism, and
- promoting sport to support public wellbeing.

The MCST identified five strategic sectors, including 1) film, video, animation; 2) games; 3) popular music; 4) webtoons, web-novels; 5) publishing, and outlined targeted support measures for each. In the gaming sector, priorities include diversifying export markets by expanding to North America and Southeast Asia, supporting growth beyond mobile platforms into PC and console markets, and increasing investment funds for large-scale IP development. For film and video, the government will boost support for productions jointly owned by production companies and domestic streaming platforms and amend legislation to formally recognise OTT films. In music,

plans include building a 50,000-seat dome venue, upgrading performance infrastructure, and preparing for the 2027 FANOMENON K-Culture event. The government will also strengthen original IP development through a new IP exchange platform and more flexible investment funds.

To further enhance South Korea's global cultural competitiveness, the MCST expands financial assistance for artists, including grants for young creators (USD 6,348 per year), contributions to the Artists' Welfare Fund (USD 3.53 million), and continued support through the Artist Activity Preparation Fund (USD 38.79 million). The Action Plan is expected to drive further policy and legislative reforms throughout 2026. In addition, President Lee Jae-myung has called for stricter regulation of loot-box mechanics in games, criticising the current enforcement framework as ineffective and urging consideration of stronger financial penalties. Game companies are therefore likely to face greater scrutiny around probability disclosure and consumer protection requirements.

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Creative technology policy

Digital and immersive technology landscape overview

South Korea is one of the world's most digitally connected markets, underpinned by high levels of internet, smartphone and social media use. In 2024, internet penetration reached 98%, while smartphone ownership stood at 97% in 2023. By 2026, 95% of the population used social media, with domestic platforms remaining especially influential. For example, KakaoTalk, a messenger and online services platform, is used by 97.1% of all internet users in 2026. The country's digital economy has traditionally been dominated by large conglomerates such as Samsung, LG, SK and Hyundai, which continue to play a major role in investment, exports and technological development. Major consumer electronics companies, alongside the three dominant mobile carriers, SK Telecom, Korea Telecom and LG U+, have helped shape Korea's wider digital ecosystem. However, the start-up and SME sector has grown rapidly in recent years, supported by government investment, a dedicated Ministry of SMEs and Startups, and increasing venture capital activity. Korea is now home to around 30,000 start-ups and ranks among the world's leading markets for technology unicorns. Large conglomerates have also become important participants in the innovation ecosystem through venture investments, accelerators and R&D partnerships with start-ups. Companies such as Virnect and Meddiction are increasingly contributing to experimentation and innovation in emerging technologies.

This strong digital infrastructure has provided a foundation for the rapid growth of Korea's immersive technology sector, particularly in VR and AR. Between 2013 and 2020, the sector expanded significantly, reaching an estimated value of USD 5 billion by the end of 2020 and recording a compound annual growth rate of 33%. Growth has been supported by Korea's advanced hardware capabilities and its established base of original equipment manufacturers. Samsung Electronics and LG Electronics have played a leading role in the development of head-mounted displays, advanced display technologies and optical components. However, Korea has been slower to develop some enabling components, such as sensors and cameras, compared with markets such as the US.

As a result, the hardware segment of the immersive technology sector has developed more rapidly than software and content production. Nevertheless, targeted investment from both government and industry is helping to strengthen Korea's immersive software and content capabilities. SMEs play a particularly important role in this area, accounting for 92.3% of companies in the VR and AR software and content market and generating 96.5% of sector revenues in 2018, equivalent to USD 40 million. To support this ecosystem, the government has planned the creation of four additional regional VR/AR Content Creation Centres, building on the ten centres already operating nationwide.

South Korean content companies are experimenting with new immersive formats across entertainment, gaming, performance and virtual collaboration. These include VR arcades, AR games, virtual concerts, digital theme parks and shared online environments. For example, Let's Moim, developed by Thirteenth Floor Corp., enables organisations to create avatar-based virtual spaces for meetings, conferences and presentations. Innotech Media provides immersive services including motion simulators, AR content and digital theme park experiences. Emotionwave works at the intersection of music, emotion and immersive media, developing VR concerts, AR music visualisation tools and mixed reality streaming platforms that allow content to be distributed across multiple channels.

Government policies

The Korean government has positioned the Fourth Industrial Revolution as central to the country's future economic competitiveness. Particular emphasis has been placed on AI, VR, AR, 5G networks, the Internet of Things and data analytics, which are seen as key areas through which Korea can strengthen its position as a global digital leader.

The 2020 Digital New Deal Strategy

South Korea's Digital New Deal, launched in July 2020 in response to the economic impact of COVID-19, aimed to stimulate growth and job creation through major investment in digital infrastructure and innovation. By 2025, the government committed USD 732 million to key areas including cloud data centres, 5G and AI integration, online education, and smart manufacturing. A central focus of the initiative was to encourage industrial convergence by expanding access to public data, developing big data platforms, and applying 5G and AI technologies across the economy, including through the creation of a smarter, digitally enabled government. The programme also sought to modernise education by improving digital learning infrastructure in schools and supporting online provision for higher education and vocational training. The government intended to ease regulatory barriers affecting the deployment of emerging digital technologies.

The 2019-2023 Immersive Technologies Roadmap

South Korea made immersive technologies a central pillar of its digital innovation agenda through the inter-governmental 5G+ Strategy Committee that is a coalition of relevant ministries and private sector companies to enable the new technology development. The 2019-2023 Immersive Technologies Roadmap aimed to position the country among the world's top five leaders in Extended Reality (XR), supported by USD 1.1 billion in investment. The strategy focused on four priorities: expanding adoption, strengthening infrastructure, supporting industry growth, and developing a sustainable innovation ecosystem. Key initiatives promoted the use of VR, AR, and MR in education and training, cultural institutions (for example, USD 159 million of funding allocated to introduce VR and AR technology in museums and galleries), while supporting the growth of regional VR and AR production centres, content studios, and start-up development. Alongside efforts to advance core technologies such as holography, light-field cameras, and sensory processing systems, the roadmap provided funding for start-ups, immersive content challenges, and export-focused businesses. It also supported international market development through trade shows and overseas showcases.

First Master Plan for Critical and Emerging Technologies (2024-2028)

The First Master Plan for Critical and Emerging Technologies (2024-2028) sets out a five-year strategy to strengthen the country's scientific and technological independence and expand its leadership in key strategic sectors. The government aims to increase the number of technology areas where Korea holds a leading international position, supported by more than USD 22.3 billion in investment.

The plan focuses on 12 priority technologies, including relevant AI, semiconductors, quantum technologies, and next-generation communications. Alongside research funding, the government will promote large-scale projects designed to accelerate commercialization and industrial adoption.

Developed jointly by 22 government ministries and agencies, the strategy provides a national framework for advancing technological competitiveness. It emphasizes strengthening technology security, building partnerships with international allies, and capitalizing on emerging technological opportunities before global markets mature, with the goal of positioning Korea among the world's leading innovation nations.

AI Policies

South Korea's AI market is experiencing rapid growth, reflecting strong domestic demand and broader global trends. The market is estimated at USD 2.45 billion in 2025, representing 12.1% growth, and is forecast to expand at a compound annual growth rate (CAGR) of 14.3%, reaching USD 3.18 billion by 2027. This expansion aligns with the global acceleration of AI investment, with the International Data Corporation projecting worldwide AI spending to rise from USD 307 billion in 2025 to more than USD 630 billion by 2028. Across South Korea, both major conglomerates and small and medium-sized ICT firms are increasing AI investments to support digital transformation and meet changing market demands, creating significant opportunities for international technology providers. South Korea's leading ICT companies focus on integrating generative AI and large language models (LLMs) into existing products and services, strengthening AI infrastructure and semiconductor capabilities, and expanding global partnerships to accelerate commercialization. The Korean government has identified AI as a core national strategic technology and aims to position the country among the world's top three AI powers.

AI Basic Act

The Framework Act on the Development of Artificial Intelligence and the Establishment of a Basis for Trust (commonly called the AI Basic Act) came into force in January 2026 as South Korea's first comprehensive AI law. The legislation establishes governance requirements for generative AI, including transparency and disclosure obligations, standards for high-impact AI systems, AI impact assessments, and legal definitions of AI providers and users. These measures are expected to increase compliance requirements while simultaneously generating demand for trustworthy and accountable AI solutions.

Under the legislation, the Minister of Science and ICT is required to formulate and implement a national AI Basic Plan every three years. This strategic plan is intended to advance AI technology and industry development, strengthen national competitiveness, foster AI talent, and build a trustworthy AI ecosystem.

To oversee major AI policy decisions, the Act creates a National AI Committee under the President. The Committee is responsible for reviewing and approving key AI initiatives, including policies to encourage AI adoption and utilization, measures relating to high-impact AI systems, and broader issues concerning trust, safety, and industry development.

The legislation also authorizes the Minister of Science and ICT to designate an AI Policy Center to support policy development and international AI governance efforts, including the creation and dissemination of global AI norms and standards. In addition, an AI Safety Institute may be established to strengthen AI safety research, oversight, and risk management.

To support the growth of the AI sector, the Act provides a legal foundation for government investment in AI research and development, standardization activities, data policy, and the broader adoption of AI technologies. It also enables policies that support AI data centres, promote AI convergence across industries, and encourage innovation throughout the AI ecosystem. Particular emphasis is placed on supporting SMEs, fostering startup creation and growth, and developing the skilled workforce needed for the AI era.

The Act further promotes the responsible use of AI through the development of AI Ethics Principles. These principles may address issues such as safety, trustworthiness, accessibility, and contributions to human well-being. The Minister of Science and ICT is tasked with implementing these principles through public guidance, awareness-raising initiatives, and educational programmes.

In relation to AI governance and accountability, the Act establishes a legal basis for government support of voluntary private-sector initiatives, including AI safety and trustworthiness certification schemes and AI impact assessments. It also introduces obligations concerning AI transparency and safety, with additional requirements for operators of High-Impact AI systems whose use may significantly affect individuals' rights, physical safety, or lives. Through these measures, the legislation seeks to balance AI innovation with safeguards that promote public trust, accountability, and societal benefit.

Transparency, provenance and training data

The AI Basic Act requires generative AI output to be labelled as AI-generated and imposes notification and labelling duties where output is hard to distinguish from the real thing. At the implementation stage, guidance was issued permitting invisible digital watermarks for output that does not amount to a deepfake.

On copyright, the MCST and the Korea Copyright Commission published a Guide to Copyright and Generative AI on 27 December 2023, and on 15 April 2024 stated that an English version would be produced and distributed at meetings of international bodies including the WIPO Standing Committee on Copyright and Related Rights. The guide separates the stage at which data is collected, processed and used for training from the stage at which a user generates output using a trained model, and sets out points for each type of actor at each stage.

In 2025 the discussion moved towards institutional reform. On 13 June the Ministry of Culture, Sports and Tourism and the Korea Copyright Commission convened the second plenary meeting of the 2025 AI–Copyright Institutional Improvement Council. It reviewed two draft guides on copyright registration and dispute prevention for generative AI and shared work from sub-groups on training-data institutions, training-data transactions and the use of AI output. Questions of training-data use, right-holder control, transactions and remuneration remain under institutional review.

AI Content support and adoption

Government investment is also expanding significantly. The MSIT allocated USD 16.9 billion in its 2026 budget, of which a record USD 3.5 billion is dedicated to AI, representing a 30% increase. Funding priorities include securing advanced GPU resources, developing a national AI computing centre, supporting specialized AI models, accelerating sector-specific AI adoption, and expanding workforce training. Institutional reforms, including the establishment of the National AI Strategy Committee and the elevation of the Minister of Science and ICT to the position of Deputy Prime Minister, have strengthened coordination across government and accelerated public-private collaboration.

Conclusion

South Korea has developed a strong Content Industry ecosystem, underpinned by strong technological capabilities, sustained public investment, and a long-term industrial policy approach. Unlike more market-led models, the Korean government has actively fostered the growth of the Content Industry through dedicated legislation, financing mechanisms, export promotion, specialised agencies, and coordinated national strategies. This approach has helped transform the Content Industry into a major economic sector and a key instrument of national soft power through the global success of Hallyu.

The sector continues to demonstrate strong economic performance. Content Industry revenues exceeded USD 111 billion in 2024 and continued growing in 2025, while exports increased at a faster rate than domestic revenues. Current policy seeks to expand this success further, with the Third Basic Plan for Content Industry Promotion targeting USD 25 billion in exports by 2027 and positioning South Korea as the world's fourth-largest content market.

Technology innovation is central to Korea's Content Industry strategy. The country's advanced digital infrastructure, high levels of connectivity, and significant R&D investment provide a strong foundation for the adoption of immersive technologies, virtual production, AI-enabled content creation, XR experiences, and other forms of convergent technology. Government initiatives such as the Digital New Deal, the Immersive Technologies Roadmap, and the First Master Plan for Critical and Emerging Technologies demonstrate an effort to accelerate digital transformation and commercialization across the Content Industries.

AI represents the newest strategic priority within South Korea's innovation agenda. The AI Basic Act, which entered into force in 2026, establishes a comprehensive governance framework for AI development, deployment, transparency, and trust, while simultaneously supporting innovation through investment, infrastructure, research, and workforce development. It reflects South Korea's ambition to become one of the world's leading AI nations while reducing dependence on foreign technologies and strengthening domestic capabilities in generative AI.

For the UK, South Korea represents more than a market for creative technology. Its combination of advanced digital infrastructure, globally competitive Content Industries, public investment and active experimentation provides opportunities for comparative policy learning, joint R&D, technology validation and commercial collaboration. Potential areas of mutual interest include AI and creative IP, immersive and virtual production, and place-based experimentation. These areas could provide a basis for deeper UK–South Korea collaboration between research organisations, industry and policymakers.

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