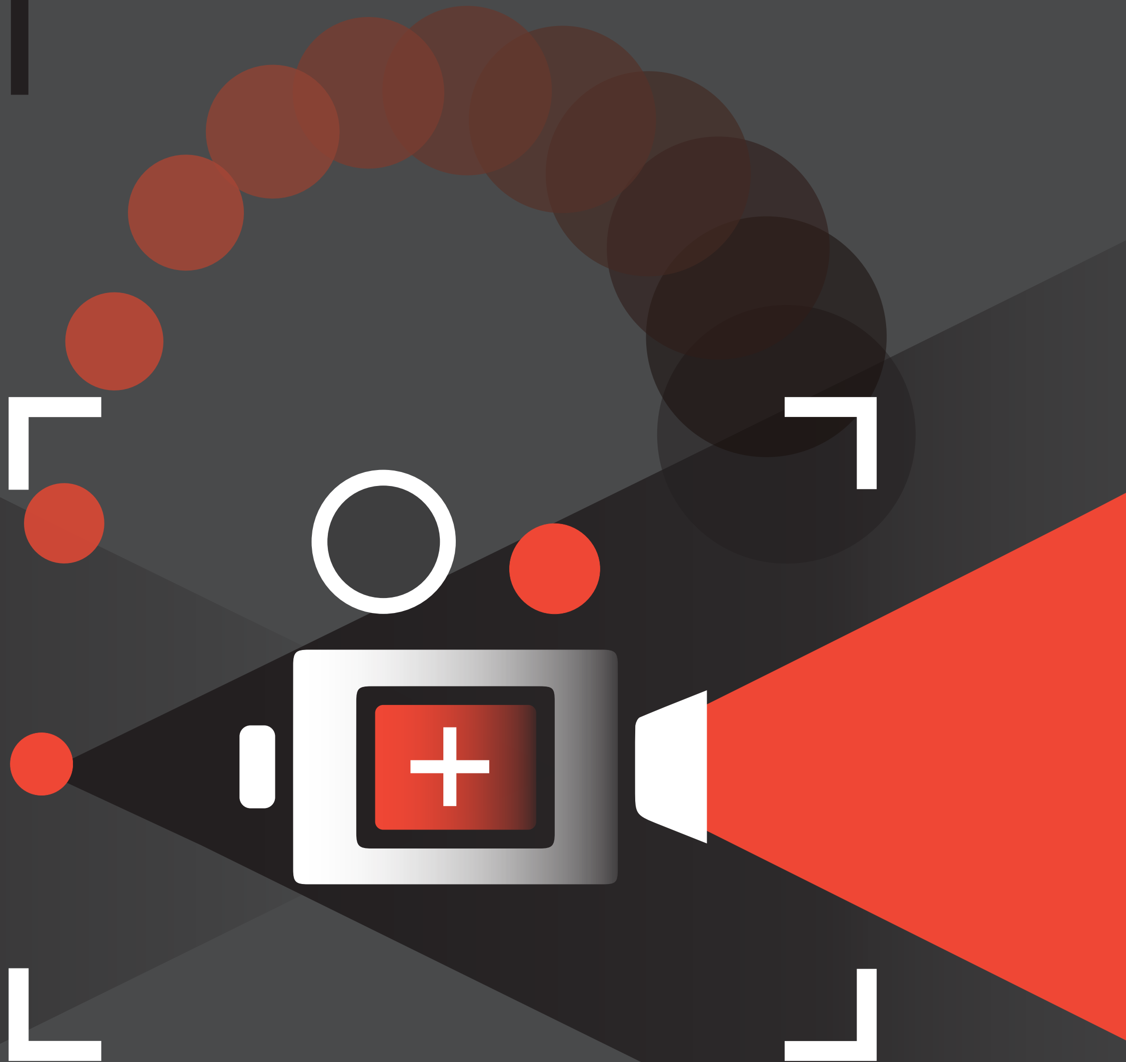
2021

Taiwan Cultural Content Industries Survey Report. 2021. Vol.II

Television · Motion Picture · Animation Industries



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FOREWORD

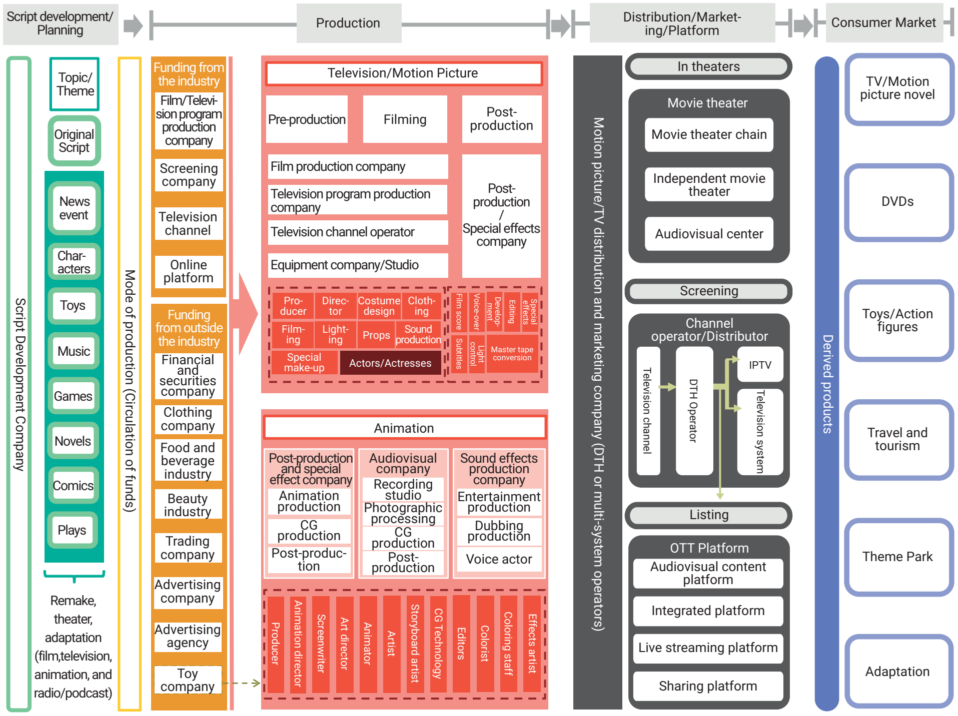
1 Scope of the Survey

This report was created in order to accurately reflect the current cultural content industry in Taiwan. It provides the government and the industry with the latest industry development trends and serves as a basis for the establishment of industry development goals and the implementation of policies. In 2021, the Taiwan Creative Content Agency (TAICCA) conducted the Cultural Content Industry Survey Report and divided the industry surveys into four separate volumes according to their industry relevance, including the Book, Magazine, Comic, and Original Image Industries, Motion Picture, Television, and Animation Industries, Popular Music and Radio Industries, and the Gaming and Esports Industries.

This is volume II of the Cultural Content Industry Survey Report of 2021, which covers the motion picture, television, and animation industries. Originally part of the same volume, the radio industry, due to its involvement in the production and broadcast of sound-related content, has been reclassified to volume III. Due to the rising effect of digital platforms on the overall development of these industries, the boundaries between creativity, production, distribution, and screening of different formats are becoming blurred. As a result of the development of IP (intellectual property), planning for the development of different types of content is no longer linear like in the past (such as producing TV series or movies based on comics or novels after they have garnered enough popularity). Instead, overall planning has been integrated and converged since the development phase. In addition, the content industry as a whole has brought in different sources of funding (such as advertisers and developers from downstream sectors).

Survey subjects in the television industry included different subindustries, in which the television program production and distribution industry and the online program production industry were determined based on the actual program list/content menu and applications for subsidies and incentives from the Bureau of Audiovisual and Music Industry Development (BAMID) of the Ministry of Culture; the television channel industry and television platform industry were determined based on data announced by the National Communications Commission (NCC). After considering their actual business models, direct satellite broadcasting television services (most have channel licenses) were not included in the scope of the television platform industry. They were instead given a questionnaire for the television channel industry. In 2020, it was estimated that 614 companies remained active in the television industry, while the digital distribution and broadcast industry consisted of around 21 companies that provided online broadcasting services.

The motion picture industry included four subindustries, namely production, distribution, post-production and special effects (including equipment), and screening. Based on the list of companies that received subsidies or incentives from the BAMID and motion pictures distributed in Taiwan in the past five years, there were a total of 449 companies active in the domestic motion picture industry. The animation industry had about 112 companies in it. Most of them are original animation companies (including online production) and companies that make animations for other companies.



Figue 0-1. Motion picture, television, and animation content industry chain

■ ***Source:*** Drafted by this survey.

2 Chapter Overview

The 2021 Taiwan Cultural Content Industry Survey Report Vol. II: Television, Motion Picture, and Animation Industries is divided into three chapters. Chapter 1 is a spotlight on significant and relevant statistical results of the survey that are of interest to the industry, such as revenue, export value, and content production costs. Chapter 2 is an overview of the survey results for each aspect of the television, motion picture, and animation industries. Besides the number of companies, capital size, and manpower, it also presents the revenue structure of domestic and overseas subindustries. Chapter 3 contains a forecast of possible trends and prospects for the development of these industries in the age of digitalization.

In order to gain a better understanding of the television, motion picture, and animation industries' current state and development history, this survey built on the contents and findings of the Ministry of Culture's previous Motion Picture and Radio Content Industry Survey and Trend Research and adjusted the relevant survey plans in accordance with current digital convergence trends, cross-sector integration and development, as well as relevant fields of concern.

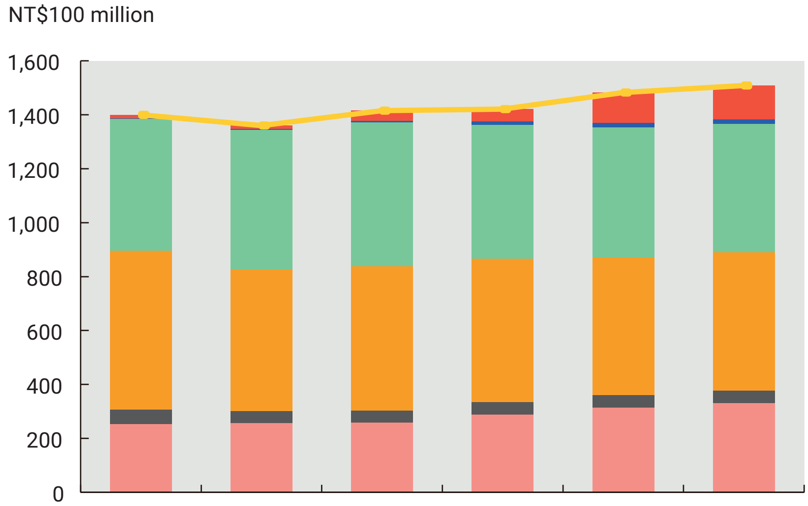
The purpose of this volume is to conduct a qualitative and quantitative survey study on various aspects of the motion picture, television, and animation industries, as well as related fields. Core survey items include the actual industry scale, revenue and business model, IP licensing trends, and digital development trends. Government organizations, the Taiwan Creative Content Agency, industry participants, and external investors can use this volume as a reference when developing related legislation or forecasting industry trends.

Data descriptions in the texts as well as values presented in the charts of this report are calculated from the original data and rounded to either the nearest whole number or the nearest two decimal places. Therefore, certain data will have inconsistency due to its rounded sum, but it will not affect the interpretation of the data in terms of percentages and totals for each survey item.

SPOTLIGHT

1 Overview of the Television Industry Revenue in Taiwan

The domestic television industry's total revenue in 2020 was estimated at NT$150.901 billion, including revenue from TV program production, TV program distribution, TV channels, TV platforms, online program production, as well as digital distribution and broadcasting, which indicates an increase of 1.76% compared to 2019. The key driver of growth was the increase in digital platforms' demand for content.



Industry	2015	2016	2017	2018	2019	2020
Digital distribution and broadcast	11.50	13.08	37.47	44.99	111.71	124.63
Online video program production	2.91	2.67	4.87	13.16	17.28	17.68
Television platforms	489.84	517.94	533.76	495.58	483.56	476.43
Television channels	588.76	525.17	535.84	532.30	509.62	511.74
Television program distribution	52.89	44.12	44.15	46.82	45.47	46.41
Television program post-production	-	-	-	-	-	-
Television program production	254.27	257.75	259.56	288.56	315.34	332.12
Total revenue	1,400.18	1,360.73	1,415.65	1,421.41	1,482.98	1,509.01

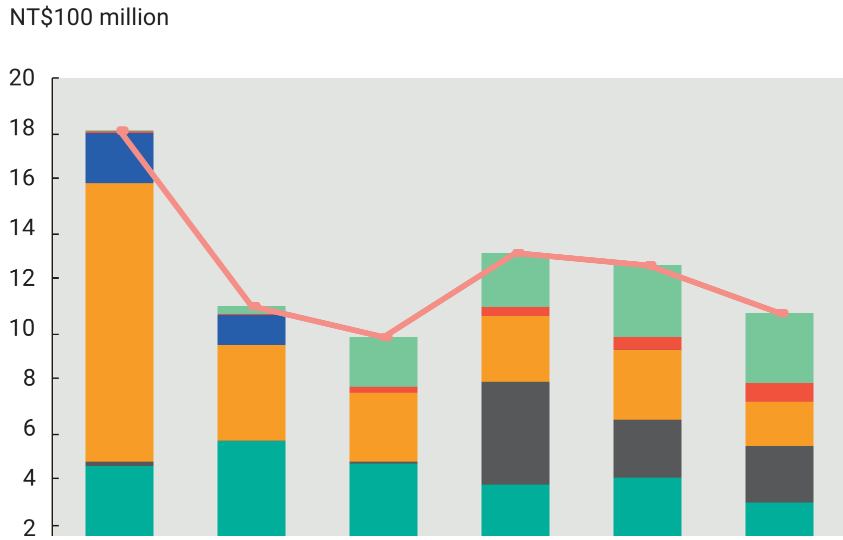
Figure 1-1. Television industry revenue from 2015 to 2020

■ ***Notes:***
1. The "online program production industry" is the "online video and program production industry" referred to in the "Motion Picture, Television, and Radio Industries Trend Survey Study" conducted by the BAMID, and has the same scope of data collection, analysis, and projection. The "digital distribution and broadcasting industry (including online video and live streaming platforms)" is the "online motion picture broadcasting industry" referred to in the "Motion Picture, Television, and Radio Industries Trend Survey Study" conducted by the BAMID, which also contains the same scope of data.
2. Statistics for the motion picture and television post-production industry cannot be divided into television post-production and motion picture post-production. After the standard industrial classification of taxation was revised in 2012, data for television post-production was included in the motion picture industry.
3. The revenue of the digital distribution and broadcasting industry after 2019 is based on the revenues of companies that provide motion picture and television broadcasting services (repetition excluded), and estimates were made based on the number of users, fee plans, and market share of telecommunications operators.

■ ***Source:*** Estimated by this survey

2 Export Value of the Television Industry in Taiwan

In terms of export performance, the domestic television industry mainly focused on the domestic market. Its export value in 2020 was NT$1.064 billion, a decline of 15.31% compared to 2019. Various subindustries' export values decreased compared to the previous year, including television program production (-25.03%), digital distribution and broadcasting (-2.94%), television channels (-36.69%), and television distribution (-1.45%). Online program production was the only subindustry that had an increase in export value (46.10%) over the previous year.



Industry	2015	2016	2017	2018	2019	2020
Television program production	4.50	5.51	4.61	3.77	4.06	3.05
Television program distribution	0.20	0.03	0.08	4.13	2.31	2.27
Television channels	11.16	3.82	2.76	2.62	2.80	1.77
Television platforms	2.01	1.23	0.00	0.00	0.00	0.00
Online video program production	0.07	0.04	0.25	0.37	0.51	0.75
Digital distribution and broadcast	0.03	0.29	1.98	2.16	2.89	2.80
Total revenue	17.96	10.92	9.68	13.05	12.56	10.64

Figure 1-2. Television industry export value from 2015 to 2020

■ ***Source:*** Organized by this survey study.

3 Television Program Production Hours in Taiwan

A total of 12,404 hours (calculated according to the broadcasting time) of television programs were produced in Taiwan in 2020, of which the majority were general programs, accounting for approximately 52.86%, followed by 2,644 hours of dramas (including 2,590 hours in television series and 54 hours in online series), accounting for 21.32%.

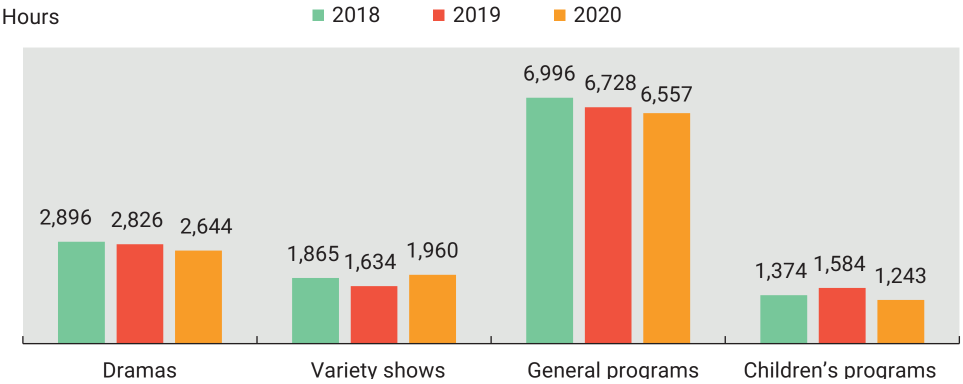


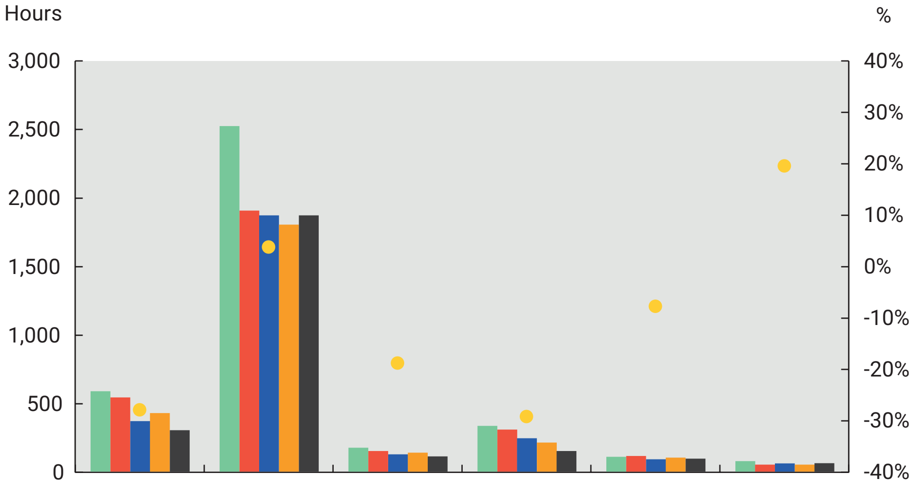
Figure 1-3. Television program production in Taiwan from 2018 to 2020

■ ***Source:*** This survey organized program schedules of each channel and data from PTS 2020 annual report.

The number of hours of variety shows (calculated based on new programs) produced in 2020 was approximately 1,960 hours, up by 19.96% compared to 2019; the number of hours of general programs (calculated based on new programs) produced in 2020 was 6,557 hours, down 2.57% compared to 2019.

A total of approximately 1,243 hours of children's programs (calculated based on new programs) were produced in 2020, a decline of 21.54% compared to 2019. YOYO TV produced the most children's programs, which primarily included music and science shows. The principal networks that transmitted children's programs are YOYO TV and MOMO Kids, with children under the age of 12 being the primary viewing group. Aside from the aforementioned content, they are also developing arts and crafts and cooking shows that promote parent-child participation. Programs produced by the Public Television Service and Da Ai Television have a wider audience age range, mainly 12 to 18 years old. These programs help adolescents learn about themselves and their surroundings, mainly through travel TV shows, conversation shows, or reality shows.

A total of 2,590 hours (calculated based on broadcasting time) of programs were produced in 2020, a decrease of 5.20% compared to 2019. In terms of broadcast hours for each program type, weekly shows accounted for 303 hours, daily dramas accounted for 1,869 hours, the Public Television Service accounted for 111 hours (excluding donated shows), the Da Ai TV series accounted for 150 hours, social dramas accounted for 95 hours, and other genres (including Da Ai Enlightenment of the Zen and Taiwanese opera programs) accounted for 63 hours.



	Weekly shows	Daily shows	PTS	Da Ai	Social dramas	Others
2016	587	2,520	174	334	108	77
2017	541	1,903	150	307	115	52
2018	368	1,868	126	244	90	61
2019	427	1,801	138	212	103	52
2020	303	1,869	111	150	95	62
2019/ 2020 Growth rate	-29.04%	3.78%	-19.57%	-29.25%	-7.77%	19.23%

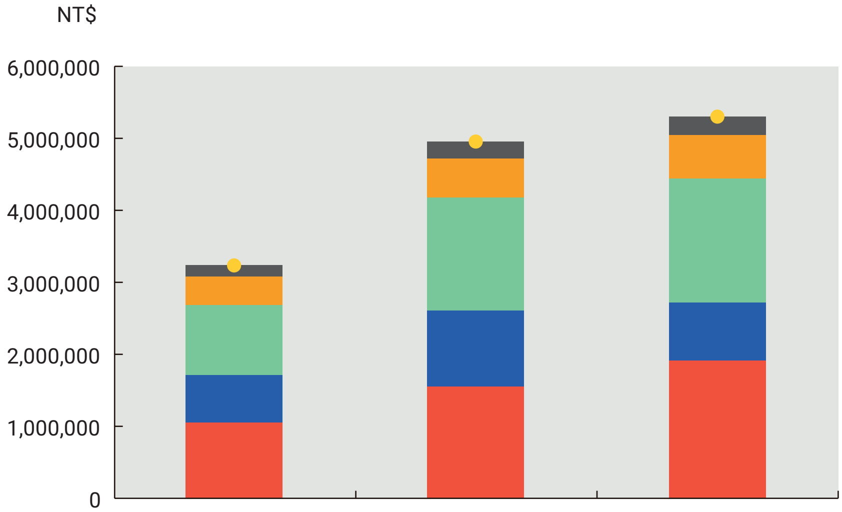
Figure 1-4. Comparing the number of hours of television programs produced from 2016 to 2020

■ ***Notes:***
1. "Other genres" includes Da Ai Enlightenment of the Zen and Taiwanese opera programs.
2. The Public Television Service programs exclude movies, foreign shows/series, donated shows, and audio description content.
3. Drama production hours are calculated based on broadcast time. Only hours for the current year are included into this survey for cross-year productions (2019/2020 and 2020/2021).
4. The values of each column in this chart are calculated from the original data, and the total hours of TV dramas in 2019 is 2,732 .

■ ***Source:*** The program schedule of each channel was organized by this survey.

4 Program Production Costs for the Television Industry in Taiwan

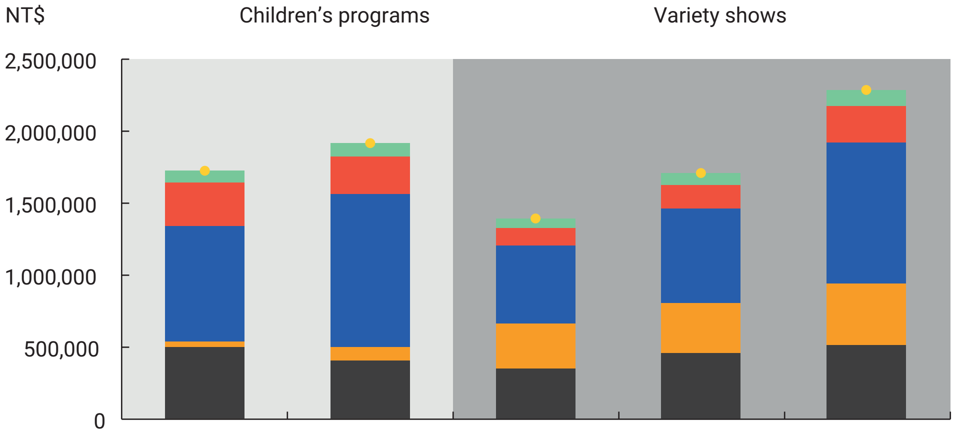
The production of television content in Taiwan relies on government subsidies. Hence, an application was submitted to the BAMID to access subsidy data and present the average production cost and structure of television content. The average production cost for a single episode of a television show or series in 2020 was NT$5.3108 million, an increase of 6.99% compared with the previous year.



Structure of production cost	2018	2019	2020
Staff and crew	1,058,892	1,559,723	1,914,854
Actor/Host	653,267	1,054,902	813,065
Filming and production	984,384	1,570,442	1,721,394
Post-production	389,050	542,224	608,611
Business tax	154,280	236,365	252,896
Total	3,239,873	4,963,655	5,310,820

Figure 1-5. Changes in production costs for Taiwan's TV show/series from 2018 to 2020

In terms of the shift in production costs for children's programs and variety shows, the scale of production budget is on the rise. In 2020, the average production cost for a single episode of a children's program was NT$1.9215 million, an 11.15% increase over 2019. In 2020, the average production cost for a single episode of a variety show (excluding large-scale production extremities) was NT$1.7129 million, a 22.74% increase over the previous year. Furthermore, as businesses continue to invest in talent shows and raise the size of production budget for variety shows, the production cost of a variety program when talent shows are included was NT$2.2928 million, a 64.29% increase over the previous year.



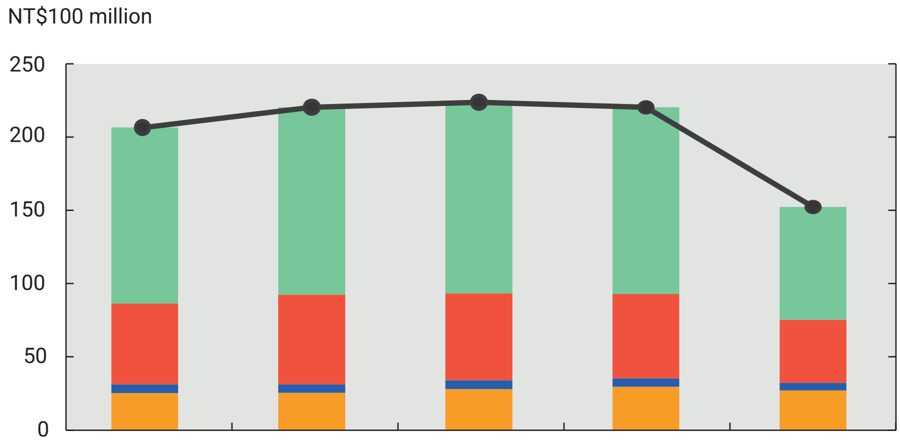
Structure of production cost	2019	2020	2019	2020	
				Excluding large productions	Overall
■ Staff and crew	499,598	403,460	349,192	455,841	512,285
■ Actor/Host	38,000	97,986	311,877	352,061	429,513
■ Filming and production	805,389	1,064,953	548,416	658,012	982,482
■ Post-production	303,427	263,639	119,652	165,458	259,372
■ Business tax	82,321	91,502	66,457	81,569	109,183
■ Total	1,728,735	1,921,541	1,395,594	1,712,940	2,292,835

Figure 1-6. Changes in production costs for Taiwan's children's programs and variety shows from 2019 to 2020

■ ***Notes:*** The data was compiled from the relevant production support details announced by the Bureau of Audio-Visual and Music Industry Development, Ministry of Culture. According to their "Children's TV Program Production Subsidy Requirements," the so-called "children" are defined in Article 2 of the Protection of Children and Youth Welfare and Rights Act as persons under the age of twelve.

5 Overview of the Motion Picture Industry Revenue in Taiwan

The total revenue of Taiwan's motion picture industry was estimated at NT$15.296 billion in 2020, down 30.86% compared to 2019. This is mainly due to the impact of the COVID-19 outbreak on the operations of each industry link, which resulted in a significant drop in revenue compared to the previous year. Subindustries such as the motion picture distribution industry and the screening industry took a larger toll, bringing their revenue declines to 25.30% and 39.60%, respectively, compared to the previous year, while the motion picture post-production industry and special effects industry suffered a lesser decline.



Industry	2016	2017	2018	2019	2020
Motion picture production industry	25.55	25.68	28.27	29.86	27.39
Motion picture post-production industry	5.99	5.76	5.98	5.73	5.20
Motion picture distribution industry	55.31	61.44	59.59	57.72	43.12
Motion picture screening industry	120.56	128.43	130.89	127.91	77.26
Total revenue	207.41	221.31	224.73	221.22	152.96

Figure 1-7. Motion picture industry revenue in Taiwan from 2016 to 2020

■ ***Source:*** Estimated by this survey.

6 Export Value of the Motion Picture Industry in Taiwan

The export value of Taiwan's motion picture industry was NT$322 million in 2020, a decline of 33.25% compared to 2019. This is primarily due to the impact of the COVID-19 outbreak, which had a negative impact on Taiwanese film sales overseas. This, in turn, had an impact on the motion picture production and distribution industries, resulting in significant decreases in export value of 34.18% and 37.84%, respectively. Due to the reduced impact of the pandemic in 2020, several foreign projects were outsourced to Taiwan's motion picture post-production subindustry, resulting in an increase of 0.93 percent in export value over the previous year.

Table 1-1. Export value of Taiwan's motion picture industry from 2016 to 2020

Unit: NT$100 million, %

Industry	2016	2017	2018	2019	2020	Rate of change from 2019 to 2020
Motion picture production	1.93	2.20	2.81	3.49	2.30	-34.18%
Motion picture post-production	0.20	0.20	0.26	0.24	0.24	0.93%
Motion picture distribution	0.5	0.69	0.98	1.09	0.68	-37.84%
Motion picture screening	0.00	0.11	0.00	0.00	0.00	-
Total	2.66	3.19	4.05	4.82	3.22	-33.25%

■ ***Notes:*** The export value of the motion picture screening industry in 2016 was NT$3,600, including overseas revenue from service export.

■ ***Source:*** Estimated by this survey.

7 Motion Picture Production Costs in Taiwan

The average production cost of a domestic motion picture was NT$34.99 million in 2020. Excluding production extremities such as overseas co-productions, the average production cost in 2020 was NT$28.16 million. Aside from the effect of the pandemic, domestic productions in recent years have tended to assess whether box office sales can recover their expenses first in the planning phase to decrease investment risks. As a result, most films had a production budget of below NT$50 million. Only a handful of domestic productions with international funding had high production budgets. In 2020, only one cross-strait co-production motion picture had a production budget of more than NT$100 million.

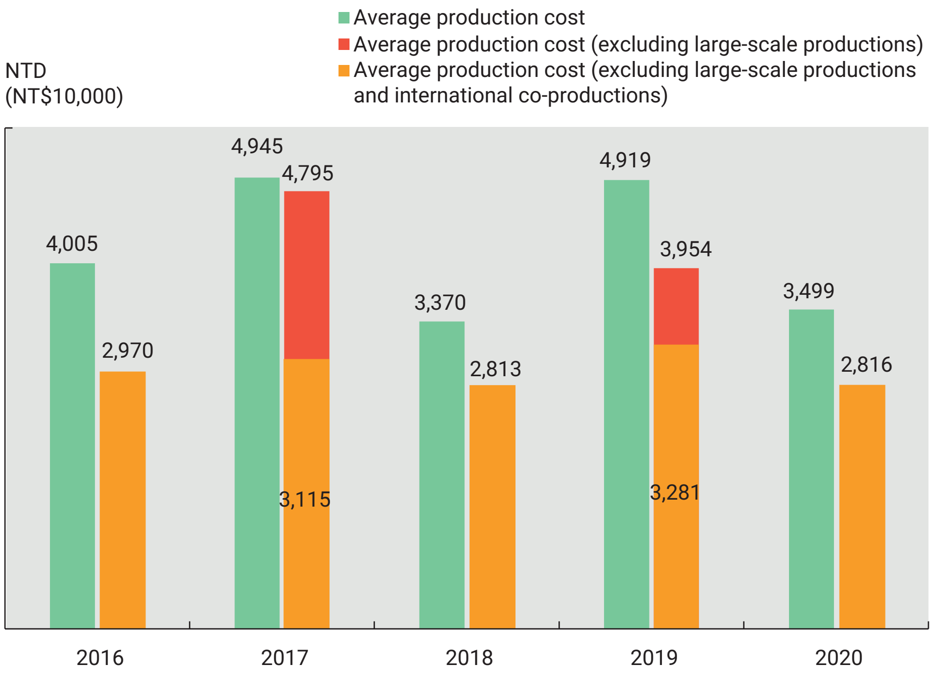


Figure 1-8. Average production budget of domestic motion pictures from 2016 to 2020

■ ***Source:*** Summarized by this survey from secondary data.

A closer look at the distribution of production scales for domestic dramas and documentary motion pictures revealed that most documentaries had a smaller production scale, with less than NT$10 million in production cost per picture, while 92.86% of dramas had a production scale of less than NT$50 million, with scales of NT$10 to NT$30 million and NT$30 to NT$50 million each accounting for 42.86%. In comparison to past years, the number of domestic medium-large (NT$60 to NT$100 million) and large (above NT$100 million) scale projects has decreased.

Table 1-2. Overview of the production scale (excluding P&A) of domestic motion pictures from 2017 to 2020

		2017		2018		2019		2020	
		Drama and animation	Documentary	Drama and animation	Documentary	Drama and animation	Documentary	Drama and animation	Documentary
		Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Small scale	<NT$5 million	3.70%	66.67%	7.14%	33.33%	3.57%	49.18%	0.00%	0.00%
	≥NT$5 million to <NT$10 million	7.41%	0.00%	7.14%	33.33%	10.71%	47.12%	7.14%	66.67%
	≥NT$10 million to <NT$30 million	33.33%	0.00%	17.86%	33.33%	21.43%	3.70%	42.86%	33.33%
Medium scale	≥NT$30 million to <NT$50 million	18.52%	0.00%	32.14%	0.00%	28.57%	0.00%	42.86%	0.00%
	≥NT$50 million to <NT$60 million	14.81%	0.00%	14.29%	0.00%	17.86%	0.00%	3.57%	0.00%
Medium-large scale	≥NT$60 million to <NT$100 million	7.41%	0.00%	21.43%	0.00%	14.29%	0.00%	0.00%	0.00%
Large scale	≥ NT$100 million	14.81%	33.33%	0.00%	0.00%	3.57%	0.00%	3.57%	0.00%

■ ***Source:*** Summarized by this survey.

The detailed cost structure of domestic motion pictures revealed that filming accounts for 72.90% of the production budget, followed by post-production (11.46%) and pre-production and development (10.06%). Recent domestic motion pictures have allocated a larger percentage of their budgets for pre-production and development than in prior years. Pre-production was given greater emphasis, which was shown in the amount of time spent on fieldwork for screenplays. In addition, some scripts were adapted from local and foreign literature, and other onscreen productions, which led to a rise in screenplay licensing fees and, as a result, changes in production budgets.

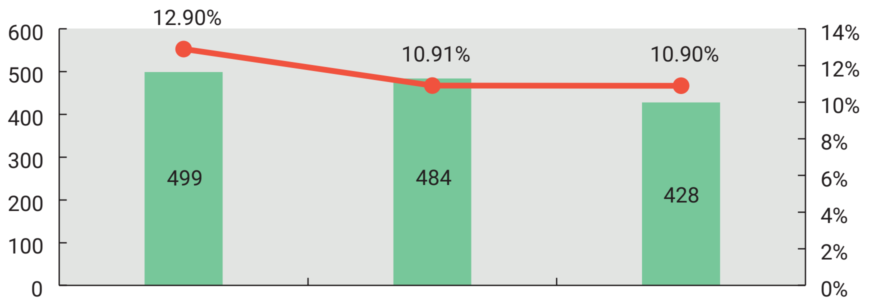
Table 1-3. Cost structure of domestic motion pictures from 2017 to 2020

Unit: %

Time	2017	2018	2019	2020
Pre-production and development	4.59%	6.59%	4.99%	10.06%
Filming/Production	74.74%	69.14%	75.63%	72.90%
Post-production	15.07%	18.31%	14.38%	11.46%
Special effects	5.60%	5.96%	5.00%	5.57%

■ ***Source:*** Summarized by this survey.

In terms of marketing expenses, the average marketing expense for a domestic motion picture in 2020 was NT$4.28 million, which was similar to last year's NT$4.84 million after production extremities were removed. As observed in the various scales of domestic picture production, the larger the production scale, the greater the market expense. Domestic pictures with budgets ranging from NT$30 million to NT$50 million spent an average of NT$5.8945 million on marketing.



Type	2018	2019	2020
Marketing expense	499	484	428
Marketing expense as a percentage of production cost	12.90%	10.91%	10.90%

Figure 1-9. Overview of marketing expenses for domestic motion pictures from 2018 to 2020

■ ***Notes:*** The proportion of marketing expenses for domestic motion pictures over the years has been adjusted retrospectively.

■ ***Source:*** Summarized by this survey from data provided by the BAMID of the Ministry of Culture.

Table 1-4. Average marketing expense of domestic motion pictures in 2020

Unit: NT$10,000

		Average box office	Highest box office	Lowest box office	Average marketing cost
Small scale	<NT$5 million	-	-	-	-
	≥ NT$5 million to <NT$10 million	130.00	370.00	3.58	135.67
	≥ NT$10 million to <NT$30 million	3,171.65	18,623.23	30.54	329.55
Medium scale*	≥ NT$30 million to <NT$50 million	3,105.24	10,317.14	2.46	589.45
	≥ NT$50 million to <NT$60 million	-	-	-	-
Medium-large scale*	≥ NT$60 million to <NT$100 million	-	-	-	-
Large scale*	≥ NT$100 million	-	-	-	-
Overall		1,891.51	18,623.23	2.46	428.00

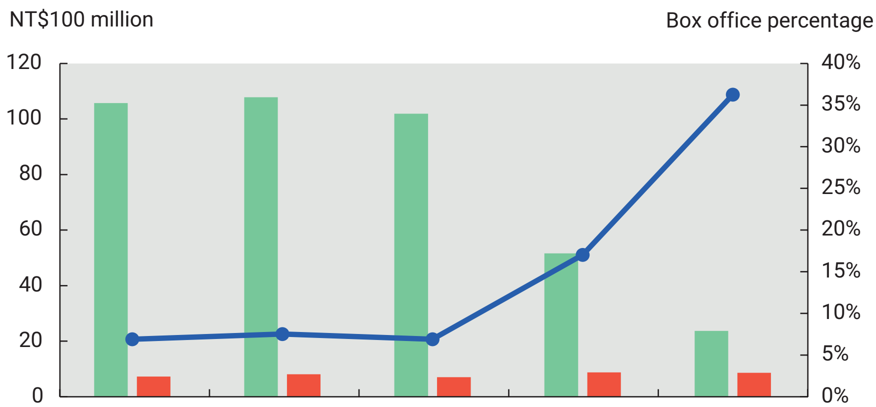
■ ***Notes:*** Due to the low number of domestic medium, medium-large, and large-scale motion pictures and the fact that some of them did not apply for marketing subsidies, there was a lack of statistics on these motion pictures.

■ ***Source:*** Summarized by this survey from data provided by the BAMID of the Ministry of Culture.

8 Motion Picture Box Office Performance in Taiwan

Taiwan's total box office was approximately NT$5.159 billion in 2020 (down 49.37% from the previous year), with about 21.83 million viewers. The box office for Taiwanese motion pictures was NT $877 million, with a market share of 17.02%, up 24.93% from last year.

As of June 2021, the total box office in Taiwan was NT$2.369 billion, a 44.06% growth compared to last year. The domestic motion picture box office was NT$859 million, with a market share of 36.25%. Man In Love and GATAO – The Last Stray, both large-scale productions, were responsible for driving the market share of domestic movies, resulting in a 702.66% rise in box office over the same period the previous year. However, many local theaters have closed as a result of Taiwan's entry into Level 3 Alert, which began in mid-May 2021. Although several cinemas have recently reopened, the frequent outbreaks of the pandemic may have discouraged people from going to the movies, affecting the box office results for the rest of the year.



Item	2017	2018	2019	2020	Jan to June 2021
Total box office (NT$100 million)	105.69	107.81	101.91	51.59	23.69
Box office of domestic motion pictures (NT$100 million)	7.29	8.10	7.03	8.77	8.59
Box office percentage of domestic motion pictures	6.90%	7.52%	6.90%	17.02%	36.25%

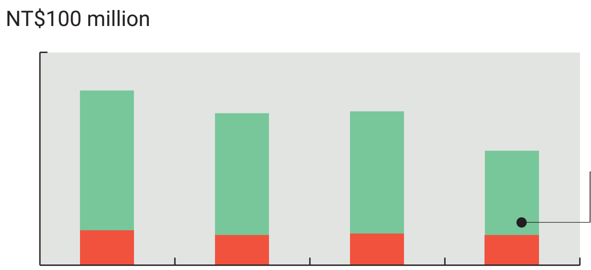
Figure 1-10. Overview of Taiwan's box office from 2017 to June 2021

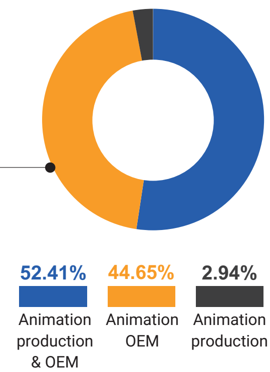
■ ***Source:*** Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act. The 2021 data was from the 2021 motion picture market statistics published by the BAMID.

9 Overview of the Animation Industry Revenue in Taiwan

The revenue of Taiwan's animation industry was approximately NT$7.629 billion in 2020, down 25.63% compared to 2019. A total of approximately NT$5.641 billion was generated from domestic distribution platforms (including television animation broadcast, animated motion picture distribution, and animated motion picture screening), a decline of 30.96% compared to 2019. This was mostly due to the pandemic-related delay in the release of overseas animated feature films, which resulted in a significant decline in the animation industry's box office and a ripple effect on the domestic distribution platform as a whole.

Approximately NT$1.988 billion was generated from the core content production industry (including animation production, animation OEM, and animation production and special effects), down 4.74% compared to 2019. Within this industry, 52.41% engaged in animation OEM and animation production simultaneously, while those that only did animation OEM or animation production accounted for 44.65% and 2.94%, respectively.





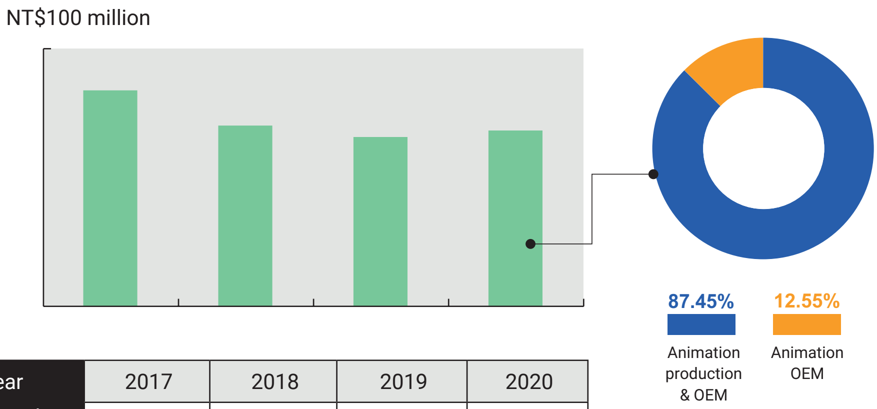
Industry	2017	2018	2019	2020
Core content production	23.01	19.92	20.87	19.88
Domestic distribution platform	93.52	81.44	81.71	56.41

Figure 1-11. Revenue structure of Taiwan's animation industry from 2017 to 2020

■ ***Source:*** Estimated by this survey.

10 Export Value of the Animation Industry in Taiwan

The animation industry's export value was NT$817 million in 2020, an increase of 3.91% compared to 2019, in which companies that only engaged in animation OEM accounted for approximately 12.55% of the export value, while companies that engaged in both animation production and OEM accounted for approximately 87.45%.



Year	2017	2018	2019	2020
Export value of Taiwan's animation industry	10.03	8.39	7.86	8.17

Figure 1-12. Export value and export structure of Taiwan's animation industry from 2017 to 2020

■ ***Source:*** Estimated by this survey.

II OVERVIEW

1 Television Industry

1.1. Industry overview

1.1.1. Number of companies in the domestic television industry

According to the number of production companies that produced television programs from 2016 to 2020, the list of applicants for the Golden Bell Awards, the list of applicants for subsidies from the Ministry of Culture, the list of companies that were approved by the National Communications Commission for a license, and tax registration data from the Ministry of Finance and business registration data from the Ministry of Economic Affairs, there were approximately 1,046 companies in the television industry, of which the majority were in the television content industry (with approximately 738 companies, accounting for 70.55%).

Table 2-1. The number and percentage of companies in the subindustries of Taiwan's television industry in 2020

Unit: number of companies, %

Industry	Number of companies	Percentage
TV program production industry	678	64.82%
TV program post-production industry	-	-
TV program distribution industry	60	5.74%
TV content industry	738	70.55%
TV channel industry [1]	120	11.47%
TV platform industry [2]	65	6.21%
Online program production industry	107	10.23%
Digital distribution and broadcasting industry	16	1.53%
Total	1,046	100%

■ ***Source:*** Fiscal Information Agency of the Ministry of Finance.

[1] According to the NCC's Overview of the Telecommunications and Broadcasting Industry, there were 101 satellite television providers and 5 terrestrial television providers as of the fourth quarter of 2020, excluding double-counted enterprises.
[2] The list of television platform operators included cable television system operators listed by the NCC as well as internet protocol television (IPTV) providers, but excluded live satellite television broadcast service providers who were also satellite television program providers.

1.1.2. Average scale of capital in the domestic television industry in 2020

The majority of companies in the television program production and distribution industry had a capital of less than NT$5 million, accounting for 46.59% of all companies. 6.80% of the companies had a capital of NT$100 million or above. Enterprises in the online program production business had a low capital base compared to other industries, with about sixty percent (57.41%) having a capital of less than NT$5 million and being made up of new companies that entered the field in recent years.

In 2020, the average scale of capital for television channel operators was NT$365 million, with the majority being large-scale businesses. The capital of 44.35% of companies was NT$50 to 100 million, followed by NT$100 to 500 million (accounting for approximately 25.81%). The capital of domestic television platform operators was mainly NT$500 million and above (73.44%).

The majority of companies in the digital distribution and broadcasting industry did not focus on online video platforms as their primary business. This was evident in domestic telecom operators (e.g., Chunghwa Telecom, Taiwan Mobile, and Far East Tone, etc.), television channel operators (e.g., SET TV, FTV, ELTA TV, and TTV), and other motion picture companies such as LiTV, CatchPlay, and Joint Entertainment that launched their own platforms, while only a few companies, such as KKTV, mainly operated on online platforms. Furthermore, while the majority of OTTs only established small offices in Taiwan, television channel operators heavily invested in domestic digital distribution and broadcasting businesses, resulting in a polarized capital scale for companies in the digital distribution and broadcasting industry.

Table 2-2. Capital scale of companies in the television and online video industries in 2020

Unit: %

Category	Television program production and distribution industry	Online video program production industry	Television channel industry	Television platform industry	Digital distribution and broadcasting industry	Total
≤NT$100,000	0.24	0.93	-	-	-	0.27
NT$100,000~NT$500,000 (exclusive)	2.91	6.48	-	-	3.85	2.72
NT$100,000~NT$1million (exclusive)	1.21	4.63	-	-	-	1.36
NT$1million~NT$5million (exclusive)	42.23	45.37	-	1.56	-	30.52
NT$5 million~NT$10 million (exclusive)	22.33	13.89	-	-	3.85	14.71
NT$10 million~NT$50 million (exclusive)	20.15	22.22	15.32	-	11.54	17.57
NT$50 million~NT$100 million (exclusive)	4.13	1.85	44.35	1.56	11.54	10.63
NT$100 million~NT$500 million (exclusive)	6.07	3.70	25.81	23.44	26.92	11.31
NT$500 million~NT$1 billion (exclusive)	0.24	-	4.03	40.63	7.69	4.63
≥NT$1 billion	0.49	0.93	10.48	32.81	34.62	6.27
Total	100	100	100	100	100	100

■ ***Source:*** The business registrations of the Ministry of Economic Affairs, compiled by this survey.

1.1.3. Number of employees in the domestic television industry

The number of people employed in the domestic television industry as a whole was estimated at 25,579 in 2020, a slight increase of 0.92% compared to 2019. The television content industry had a total of 5,788 employees, up 4.91% compared to 2019. The television channel industry had approximately 13,500 employees, up 0.42% compared to 2019. The cable TV system industry had approximately 6,256 employees, a 1.48% decline compared to last year.

Table 2-3. Number of employees in the television industry from 2015 to 2020

Unit: Number of people, %

Year / Industry	2015	2016	2017	2018	2019	2020	201Rate of change from 2019 to 2020	Gender ratio in 2020	
								Male	Female
Television content industry	4,836	4,753	4,782	5,204	5,517	5,788	4.91%	46.26%	53.74%
Television channel	14,933	14,167	14,169	14,077	13,479	13,535	0.42%	53.37%	46.63%
Television platform industry [3]	6,003	6,150	6,438	6,237	6,350	6,256	-1.48%	64.10%	35.90%
Total	25,772	25,070	25,389	25,518	25,346	25,579	0.92%	55.86%	44.14%

■ ***Source:*** Organized and estimated by this survey.

[3] Only employees of cable TV systems were included as employees of television platforms. Cable TV broadcasting system operators and IPTV (Chunghwa Telecom MOD) were not included.

1.2. Revenue and business model

Television advertising revenue continues to decline as the digital entertainment industry flourishes. Ratings alone are not enough to keep the television industry afloat. The rapid digitalization of the television industry is changing how content is created and resulting in the development to maximize content value through strategic planning. Furthermore, a greater emphasis is placed on managing drama/program brand as intellectual property and the fan economy in order to increase the chances of monetization.

Existing television industry management tactics have evolved into a full-platform, holistic strategy. During the creative and pre-production stages, the impact of various platform specifications on content is taken into consideration. Simultaneous releases on and offline is essential while the unique characteristics of each platform are also taken into account in the hopes of delivering differentiated content that increases potential audience engagement and maximize content popularity and impact across multiple platforms.

Furthermore, the show/program brand value can be increased by leveraging the fan economy to create exclusive, personalized content and cultivate devoted subscribers. As the cases of the long-running program brand Mr. Player and the recent star-making 100% Entertainment - OWO Werewolf demonstrated, fan economy can be applied to brand merchandises or fan meet-and-greets, or even link program contents with offline activities, creating a deeper adhesion between loyal audience and program brand, which eventually leads to monetization. Another application is repurposing and transferring content to various media carriers, such as the development of a prequel film for the hit television drama Workers or the creation of a sister-program called Watching All-Star by the production team of All Star Sports Day. This application may boost content reach or assist artists who participated in these programs in gaining significant exposure, propelling adjacent sectors such as artist management, content merchandising, and event planning, resulting in a positive cycle amongst industries.

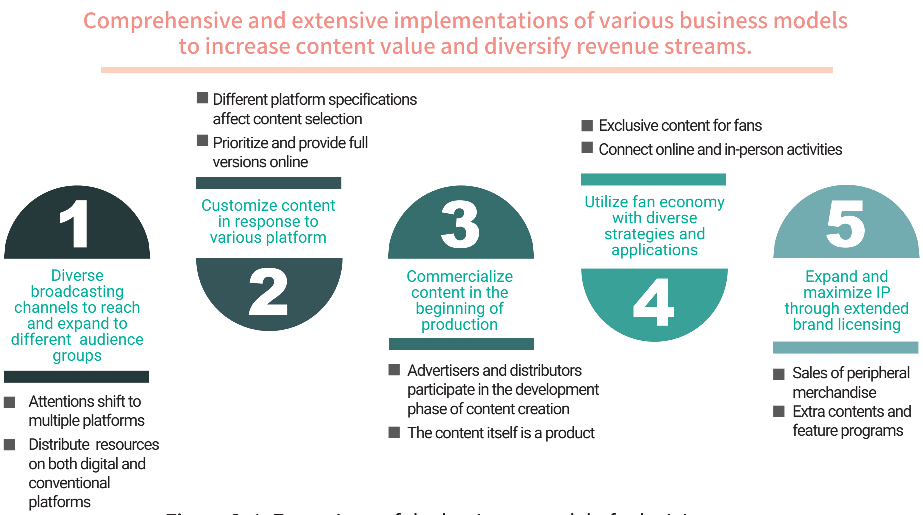


Figure 2-1. Extensions of the business model of television content

■ ***Source:*** Organized by this survey.

1.2.1. Revenue structure of the year — revenue items

In 2020, the annual revenue of Taiwan's television program production and distribution sector, as well as the online program production industry, was less than NT$10 million for about 70% of the companies in both industries (69.16% and 71.67%, respectively). The majority of businesses in both industries made between NT$1 and 5 million in revenue.

In the television channel industry, around half of the companies had a revenue of NT$100 million or more, which was similar to the performance in 2019; around 14.29% of the companies had a revenue of NT$10 to 20 million. The majority of television platform operators made between NT$100 and $500 million in revenue, accounting for 54.55% of all companies.

The digital distribution and broadcasting industry had a clear revenue discrepancy in 2020, with most revenues falling either below NT$50 million or above NT$100 million. This may be due to the impact of native platforms or cross-sector management from companies in the telecommunications and television channel industries.

In terms of the revenue changes for the subindustries in the last two years, over 60% of the television companies saw a lower revenue in 2020 than in 2019. Furthermore, 93.75% of television platforms and 55.37% of major upstream content production houses (television program production and online content production) expected revenue to decline, while 60% of the companies in the digital distribution and broadcasting industry expected revenue to increase over the previous year.

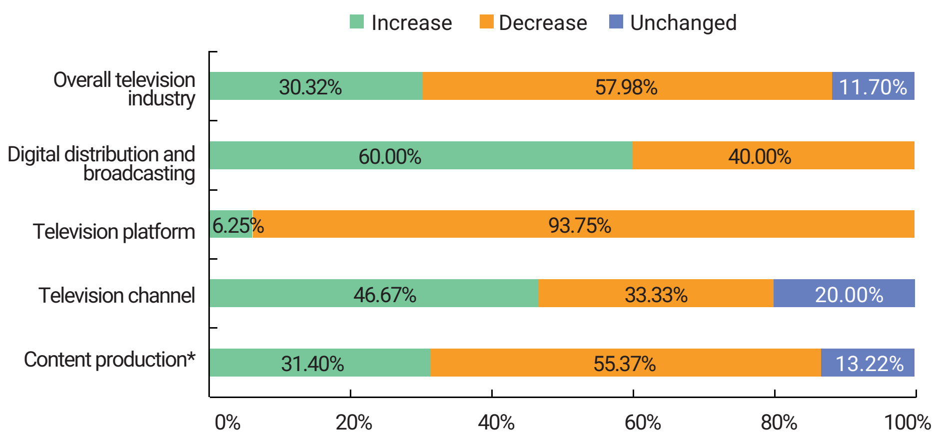


Figure 2-2. Views on revenue change in 2020 from television industry professionals in Taiwan

■ ***Notes:*** Content production consists of television program production and distribution industry and online video program production industry.
■ ***Source:*** Organized by this survey.

In 2020, the primary sources of income for the television program production and distribution industry were mainly television program and series production and its related income, accounting for 29.66% of the total. Revenue accounted for 38.70% when general television program and series production, proceeds from copyright sales (including traditional and new media copyright transactions), advertising, sponsorship, and placement marketing income were combined. In comparison, early content development and income from screenwriting fees accounted for about 14.37%, which was an increase over 2019. This also indicated a partial shift in revenue sources for the industry, from the program production phase to the pre-production phase, which included income from front-end collaborations and field investigations, etc. This meant that early operations became even more critical.

Furthermore, due to a certain number of companies being involved in the production and development of motion pictures (8.66%), animations (2.38%), online content (7.82%), advertisements (9.00%), and other content (3.76%), the overall content production revenue (excluding pre-development, but including the aforementioned copyright sales, advertising, and sponsorship, etc.) accounted for about 70.32% of the total.

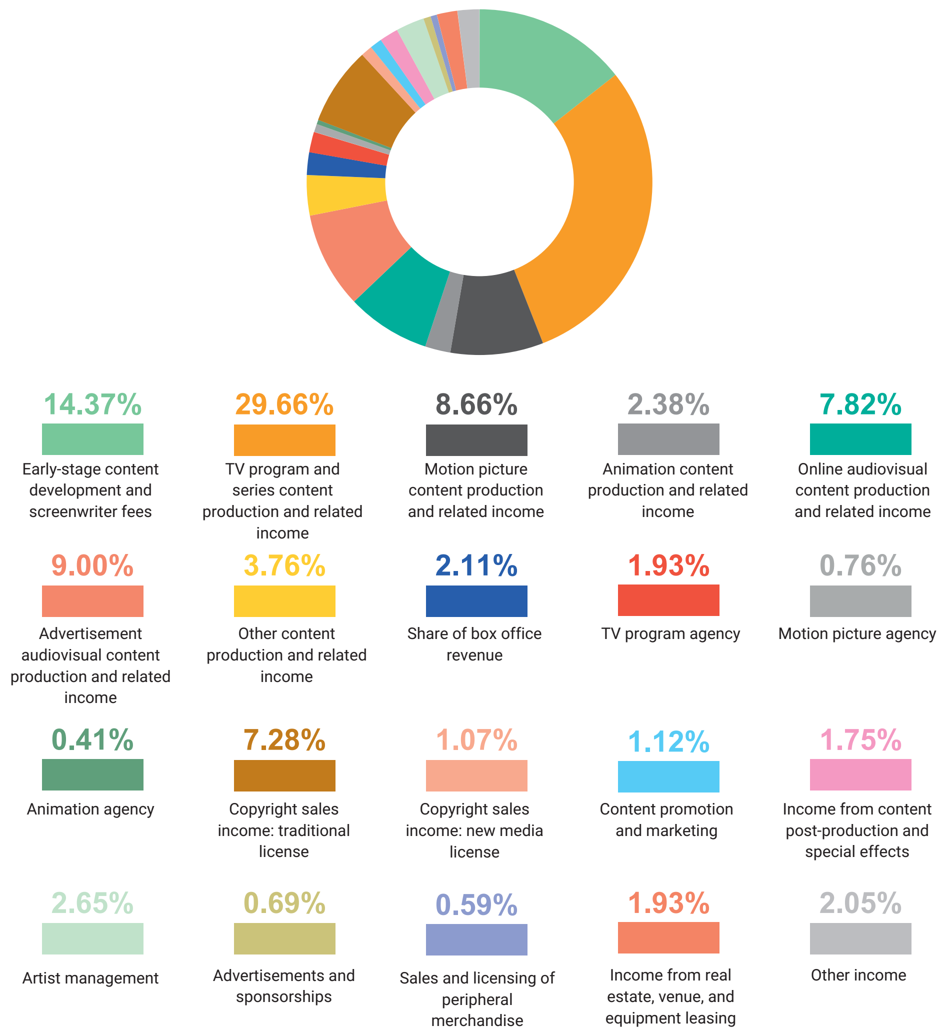


Figure 2-3. Revenue structure of the television program production and distribution industry in 2020

■ ***Source:*** Summarized by this survey.

The revenue of Taiwan's online program production industry in 2020 mostly came from content production and related income (including production revenue and copyright fees, etc.), accounting for about 22.50% of the total. This was followed by television program and series content related income (including television program content agency income, accounting for a total of 16.09%).

Furthermore, compared to the previous year, the proportion of the industry's production and related income for motion picture content (8.03%) and animation content (6.43%) increased, whereas the production income for other audio-visual content related to commercial advertisements (13.71%) decreased. Some companies have ventured into artist management and the development of IP licensing.

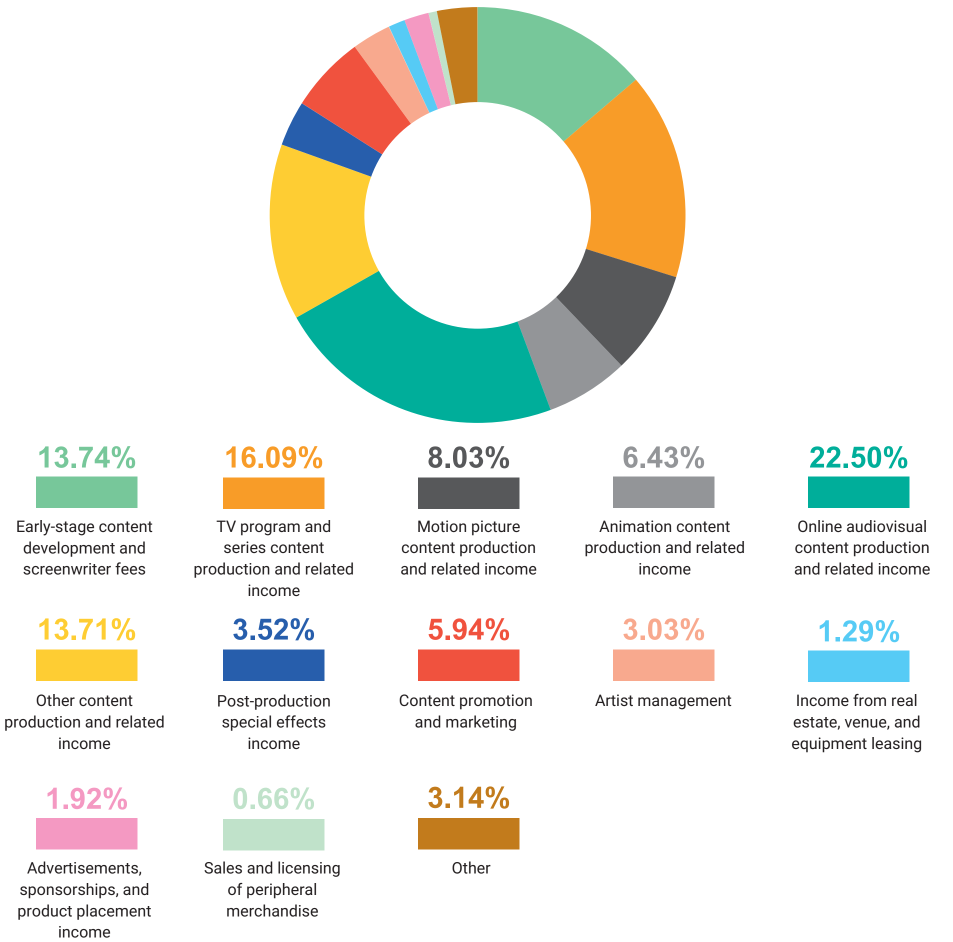


Figure 2-4. Revenue structure of the online program production and distribution industry in 2020

■ ***Source:*** Summarized by this survey.

Due to the continuing decline in the number of cable television subscribers in recent years, subscribers' viewing income, which was the main source of revenue for the television program industry, had dropped to 18.07% in 2020. As a result of the growing consumption of online materials, television program companies actively developed and explored the different values of program content, thereby increasing television copyright revenue by 23.28%.

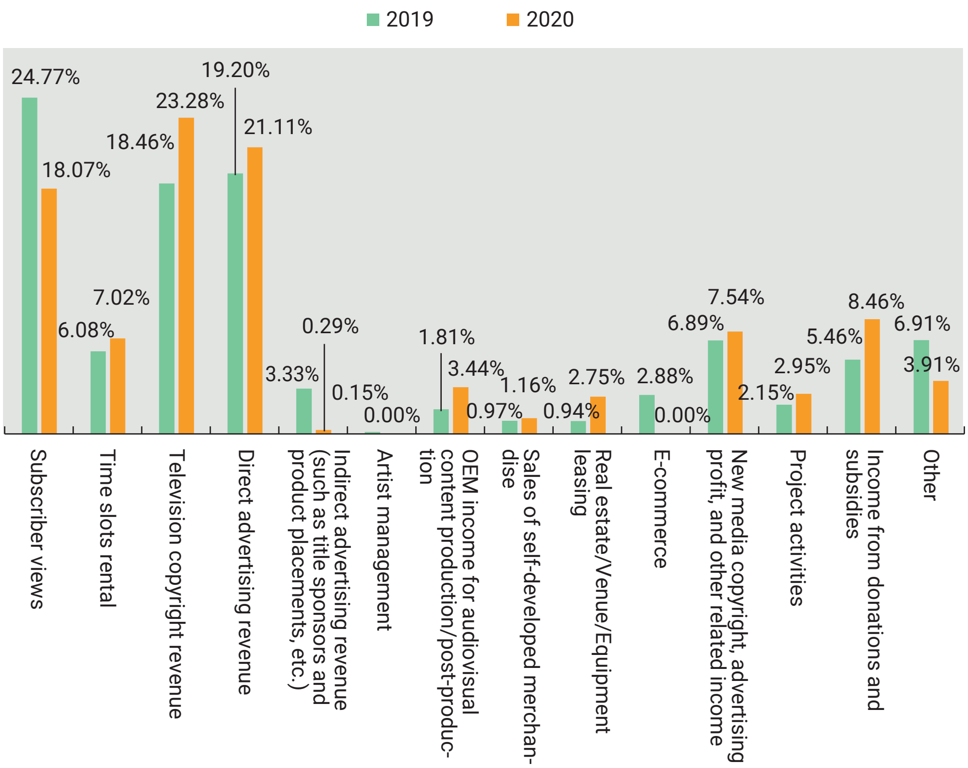


Figure 2-5. Changes in the revenue structure of the television program industry from 2019 to 2020

■ ***Source:*** Compiled from this survey's questionnaire.

Video revenue was the main source of revenue for the television platform industry in 2020, accounting for 77.67% of the total. This was followed by circuit lease revenue (7.71%) and broadband service revenue (3.94%).

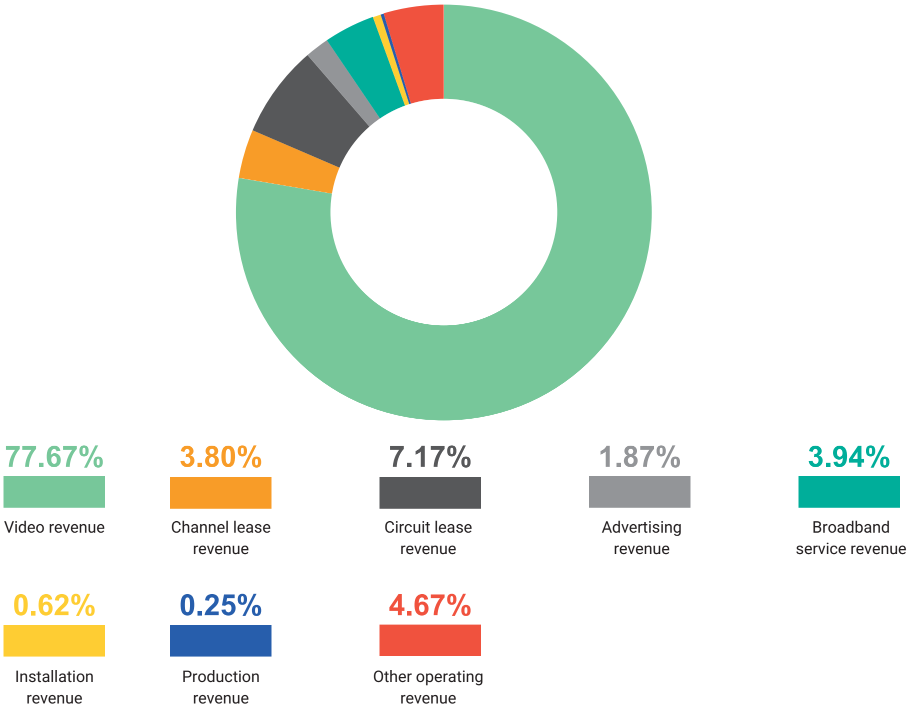


Figure 2-6. Revenue structure of the television platform industry in 2020

■ ***Source:*** Summarized by this survey.

In terms of the television platform industry, net revenue from cable TV systems in 2020 continued to decline. Only the New Changhua Digital Cable TV and Taiwan Optical Platform saw significant increases in net revenue, resulting in a 1.16% increase in the average revenue of the Taichung, Changhua, and Nantou regions. However, the overall growth rate of the industry had slowed; revenue made from internet-related products and services was still insufficient to compensate for the loss caused by the year-over-year viewership decline.

Table 2-4. Changes in revenue of major cable TV systems in 2020

Unit: NTD (million), %

Distribution area	Average net revenue in 2020	Average revenue change 2019/2020
Taipei, New Taipei, Keelung, and Yilan	479	-1.03%
Taoyuan, Hsinchu, and Miaoli	846	-2.44%
Taichung, Changhua, and Nantou	795	1.16%
Yunlin, Chiayi, and Tainan	519	-2.36%
Kaohsiung and Pingtung	788	-2.66%
Hualien and Taitung	273	-9.36%

■ ***Source:*** Summarized from Taiwan's Sizeable Enterprises TOP 5000 of China Credit Information Service, Ltd. in 2021.

Among the main sources of revenue for the digital distribution and broadcasting industry in 2020, program copyright sales accounted for 31.15%, followed by paid memberships and subscriber views (23.21%) and direct advertising revenue (21.40%). Special events and advertising revenues were the primary sources of revenue in the past, but the increased number of platforms investing in content production and development caused the proportion of content copyright related revenue to rise.

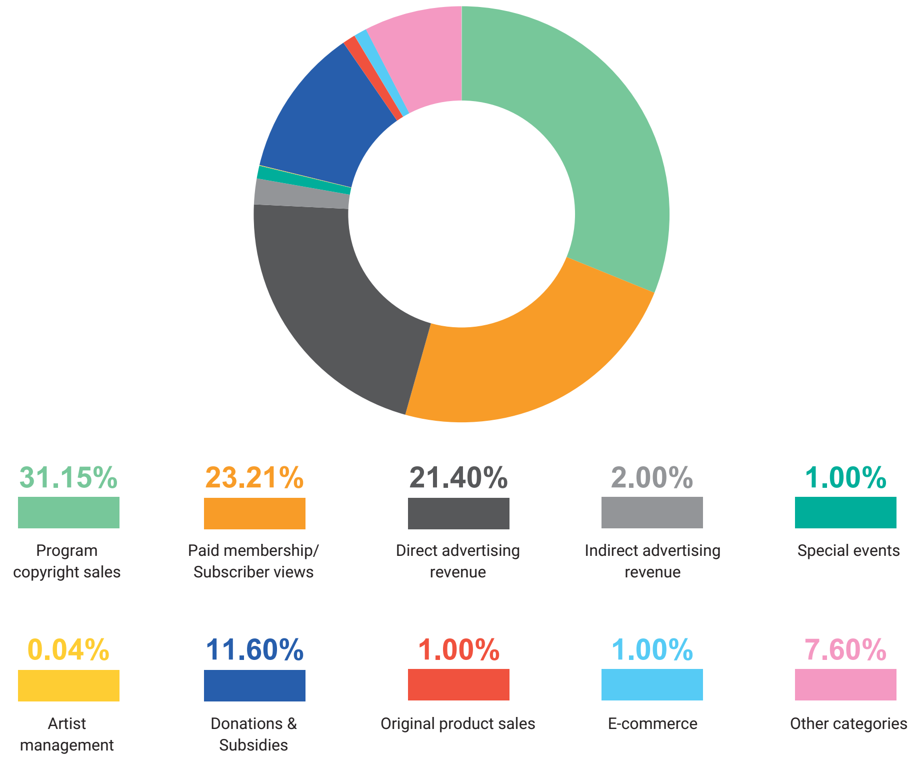


Figure 2-7. Revenue structure of the digital distribution and broadcasting industry in 2020

■ ***Source:*** Summarized by this survey.

1.2.2. Regions and overview of overseas revenue

The overseas revenue for the main exporters in the television industry (television channels, television program production and distribution, and online program production companies) in 2020 came mainly from China, accounting for approximately 56.67%, an 8.96% decrease compared to last year. This was followed by Southeast Asia, accounting for approximately 50% (a 3.13% decline compared to 2019).

Furthermore, about 20% of the overseas revenue came from other regions, owing to the industry's expansion into North America (such as Canada) as well as companies selling their broadcasting rights to international OTT platforms.

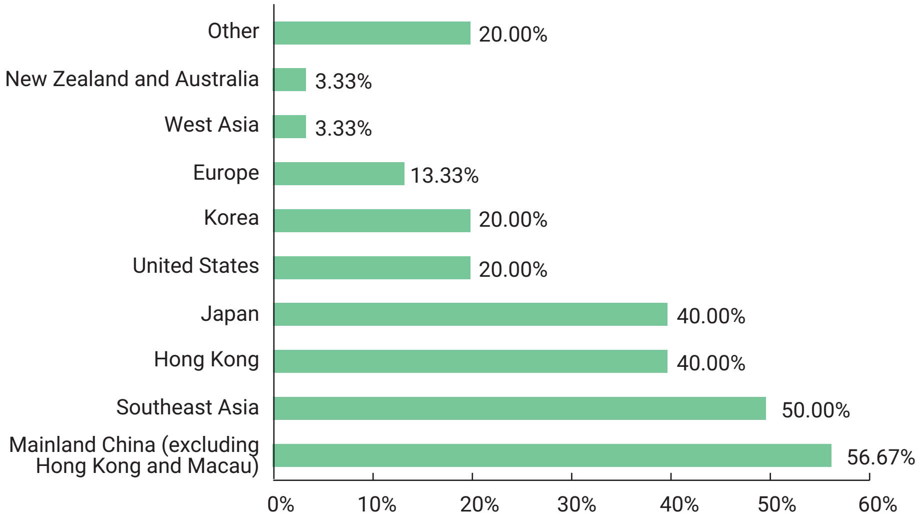


Figure 2-8. Sources of television content overseas revenue by country in 2020 (number and percentage of companies)

■ ***Source:*** Summarized by this survey.

In 2020, Taiwanese television content (television channels, television program content production and distribution, and online program production) was mainly licensed to mainland China (accounting for 19.05% of the total, excluding Hong Kong and Macao), followed by Southeast Asia (16.17%), with a predominant focus on Singapore, Malaysia, and Thailand. Some companies have further developed markets in India and Brunei. Furthermore, as more companies negotiated with foreign OTT platforms for product launch collaborations, the proportion of companies exporting internationally through OTT platforms climbed (15.24%), up 7.89% from the previous year.

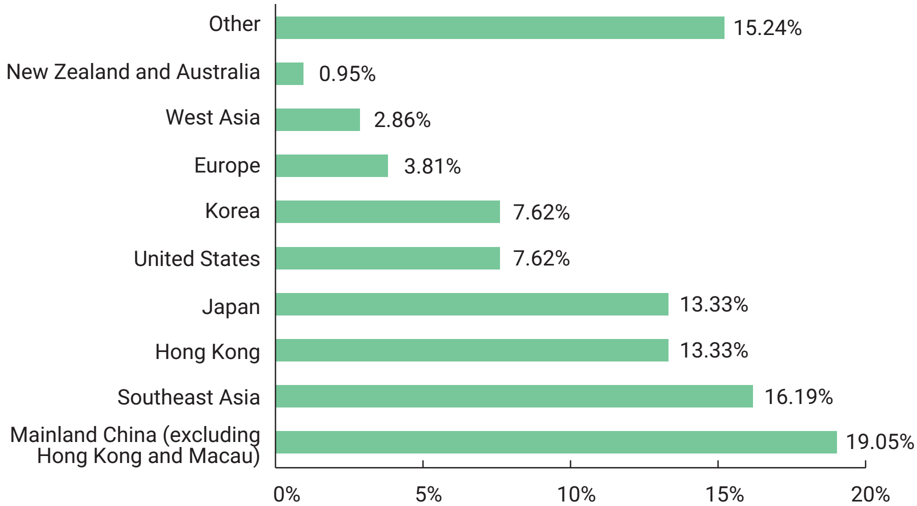


Figure 2-9. Licensed regions of domestically produced content in 2020 (number and percentage of companies)

■ ***Source:*** Summarized by this survey.

The content production sector of the television industry (television program production and distribution and online content production) continued to expand and produce diverse content, with varying regional copyright distributions for the multitude of content types. The main products of the industry, such as television programs and series (39.29%) and online content (31.58%), were mainly traded in Mainland China (excluding Hong Kong and Macao), whereas motion picture content was mainly traded through international OTT platforms (23.08%).

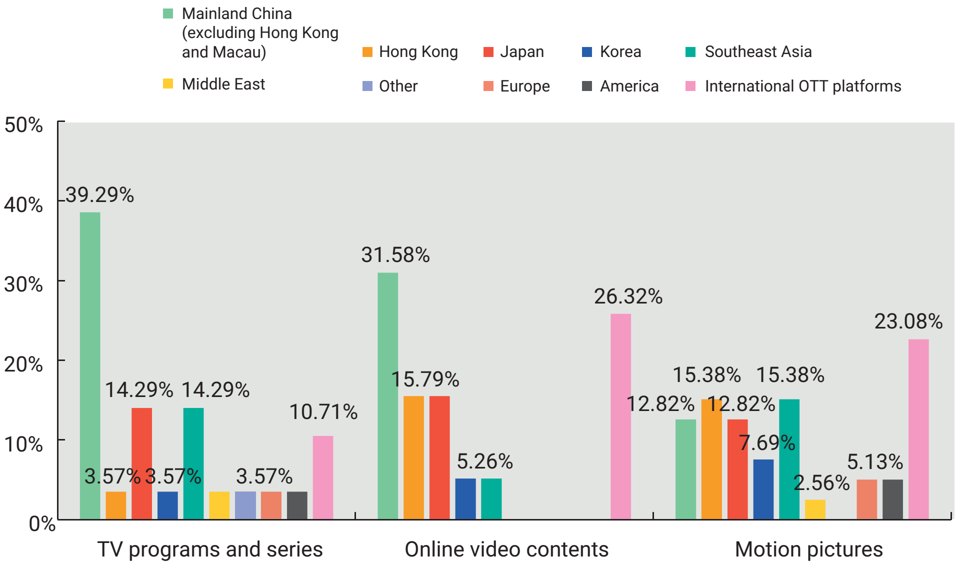


Figure 2-10. Licensed regions of different types of content in 2020 (number and percentage of companies)

■ ***Source:*** Summarized by this survey.

In 2020, Taiwanese television dramas were mostly shown in Chinese markets such as Malaysia, Singapore, and Hong Kong. As for the market in Mainland China, television content was mostly distributed through internet platforms such as Tencent, iQiyi, and Youku, etc. Furthermore, the Public Television Service and Japan's NHK TV collaborated in 2020 to produce the literary adaptation drama Ru: Taiwan Express, which encouraged the simultaneous broadcasting of newly produced domestic content on both Taiwanese and Japanese television.

In addition to reaching the Southeast Asian markets through overseas OTT platforms (such as Netflix and iQIYI International), Taiwanese television dramas were also exported to North America, Europe, and other places through the Rakuten Viki streaming video platform.

Table 2-5. Overseas broadcast status of Taiwanese television series in 2020

Title	Domestic premiere channel	Broadcast country/region
Hello Again!*	TTV Main Channel	Hong Kong, Malaysia, Singapore, Brunei, and India
All Is Well*	TTV Main Channel	Malaysia and Singapore
Let's go crazy on LIVE	TTV Main Channel	Hong Kong, India, Singapore, Malaysia, Brunei, Europe, and America
Lost Romance	TTV Main Channel	South Korea, Malaysia, Singapore, Indonesia, North America, and 24 Rakuten Viki platform available countries (Europe, America, Poland, India, UK, France, Germany, Netherlands, Chile, etc.)
The Wonder Woman	TTV Main Channel	Malaysia, Singapore, Brunei, and Rakuten Viki platform available countries (Europe, America, India, Australia, and New Zealand)
Falling Into You	TTV Main Channel	China, Singapore, and about 14 Rakuten Viki platform available countries (Europe, America, Poland, India, UK, France, etc.)
Amensalism	TTV Main Channel	Rakuten Viki platform available countries (Europe, America, India, Australia, and New Zealand), Malaysia, Brunei, Hong Kong, Macau, Thailand, Philippines, Vietnam, Cambodia, and China
The Devil Punisher	TTV Main Channel	Netflix available countries
Born Into Loving Hands	TTV Main Channel	Malaysia
April Rain	TTV Main Channel	Malaysia
Someday or One Day*	Taiwan CTV Main Channel	More than 100 countries and regions including Japan
The Mirror*	FTV Terrestrial Channel	Malaysia
Golden City*	FTV Terrestrial Channel	Malaysia
The Rootless	FTV One	Malaysia
The Story of Three Springs	FTV One	Malaysia
The sound of happiness*	SET	Singapore, Malaysia, and Vietnam
LUO QUE	SET	Malaysia
Proud of You	SET	Malaysia, Brunei, and Singapore
Here Comes Fortune Star	SL2	Malaysia
Mother to be	SL2	Singapore, Malaysia, Brunei, and North America
Moonlight Romance	TVBS-G	China, Hong Kong, and iQIYI International available countries (Malaysia, Thailand, Indonesia, and Vietnam)

Title	Domestic premiere channel	Broadcast country/region
Magic Moment	TVBS-G	iQIYI International available countries (Malaysia, Thailand, Indonesia, and Vietnam)
Girl’s Power Season 5	TVBS-G	Hong Kong, Macau, Philippines, Singapore, Malaysia, Indonesia, and Australia
Girl’s Power Season 6	TVBS-G	Hong Kong, Macau, Philippines, Singapore, Malaysia, Indonesia, and Australia
Girl’s Power Season 7	TVBS-G	Hong Kong, Macau, Philippines, Singapore, Malaysia, Indonesia, and Australia
Girl’s Power Season 8	TVBS-G	Hong Kong, Macau, Philippines, Singapore, Malaysia, Indonesia, and Australia
Wacko At Law	EBC Drama	Rakuten Viki platform available countries (Europe, America, India, Australia, and New Zealand), China, Philippines, Indonesia, Vietnam, Myanmar, Laos, and Macau
Adventure of the Ring	HBO	Malaysia
U Mother Baker	PTS Main Channel	Malaysia, Singapore, Brunei, and iQIYI International available countries
Monstrous Me	PTS Main Channel	Malaysia
Ru: Taiwan Express	PTS Main Channel	Japan
Detention	PTS Main Channel	Netflix available countries
I, Myself	PTS Taigi	China, Singapore, and Malaysia
Recipe of Life	PTS Taigi	Malaysia

■ ***Notes:***
1.The dramas marked with an asterisk were cross-year-broadcast series.
2.This table summarizes the overseas broadcast data disclosed and reported by various platforms but does not include the subsequent licensing status of individual dramas.
3.The countries and regions listed in this table include countries of copyright transactions and overseas broadcasts by channels established by domestic channel operators overseas.
■ ***Source:*** Summarized by this survey (as of August 31, 2021).

1.3. IP licensing trends

In terms of Taiwan’s drama content IP licensing in 2020, more diverse creative concepts and forms of literature, in addition to domestic and foreign novels and prose, were employed as sources for adaptations. These promoted talents spanning multiple industries to collaborate in series production. Furthermore, domestic and international markets also saw some original dramas as a source of intellectual property that could be used for other projects, like prequel films and stage plays.

Table 2-6. Topics and IP extensions of Taiwan’s television content in 2020

Item	Name of TV content	Type of IP application		Licensed region
		Text before adaptation	Further application/ licesnsing	
1	Someday or One Day*	Original TV series	TV series remake	Korea
			TV series novel	Taiwan
2	Let’s go crazy on LIVE*	Original TV series	TV series novel	Taiwan

Item	Name of TV content	Type of IP application: Text before adaptation	Type of IP application: Further application/ licesnsing	Licensed region
3	The Devil Punisher	Original TV series	TV series novel	Taiwan
4	Lost Romance	Original TV series	TV series novel	Taiwan
5	The Wonder Woman	Original TV series	TV series novel	Taiwan
6	Mother to be	Original TV series	TV series novel	Taiwan
7	Moonlight Romance	Original TV series	TV series novel	Taiwan
8	Because of You	Original TV series	TV series novel	Taiwan
9	Endless Love	Original TV series	Micro film	Taiwan
10	Fly the Jumper	Original TV series	Comic book	Taiwan
11	Island Nation	Original TV series	Board game	Taiwan
12	I, Myself	Original TV series	-	Taiwan
13	Craving You	Original TV series	Online series novel	Taiwan
14	Workers	Literary adaptation	Board game	Taiwan
			Prequel movie	Taiwan
15	The Victim’s Game	Literary adaptation	Outdoor reality game	Taiwan
16	Adventure of the Ring	Literary adaptation	-	Taiwan
17	Ru: Taiwan Express	Literary adaptation (Japan)	-	Taiwan
18	The Art of Position	Literary adaptation	-	Taiwan
19	76 Horror Bookstore: Tin of Fear - Rent	Literary adaptation	-	Taiwan
20	76 Horror Bookstore: Tin of Fear - Hunger	Literary adaptation	-	Taiwan
21	76 Horror Bookstore: Tin of Fear – Hide and Seek	Literary adaptation	-	Taiwan
22	76 Horror Bookstore: Tin of Fear - Taxi	Literary adaptation	-	Taiwan
23	The Story of Three Springs	Literary adaptation	-	Taiwan
24	You Jia Za Huo Dian	Literary adaptation	-	Taiwan
25	Detention	Video game adaptation	-	Taiwan
26	Non-Reading Club	Musical adaptation	-	Taiwan
27	Futmalls.com	TV screenplay adaptation	-	Taiwan
28	Cometesting	Online animation adaptation	-	Taiwan

■ ***Notes:*** The dramas marked with an asterisk were broadcast over different years.
■ ***Source:*** Organized by this survey.

1.4. Industry observation indexes

1.4.1. Changes in media advertising volume

Total advertising in all media in Taiwan amounted to NT$73.892 billion in 2020, a decline of 3.01% compared to 2019. Only online advertising showed continuous growth, while other forms of media advertising showed a declining trend, with the print media, such as newspapers (-53.97%) and magazines (-30.63%), showing the greatest decline.

In terms of television advertising, terrestrial television advertising was NT$2.606 billion, down 7.66% from 2019; satellite television advertising totaled NT$14.981 billion, down 9.44% from the previous year. In 2020, the proportion and absolute amount of advertising on terrestrial television and satellite television continued to decline, accounting for less than a quarter of total advertising across all media.

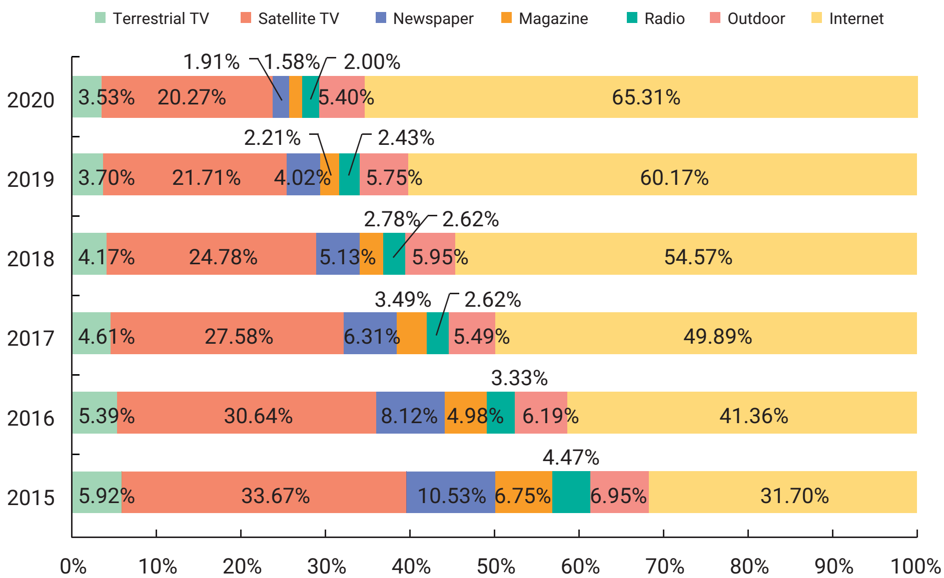


Figure 2-11. Media advertising volume in Taiwan from 2015 to 2020

■ ***Source:*** Summarized from the 2021 Media Book, Media Agency Association (MAA).

Total online advertising volume in Taiwan reached NT$48.257 billion in 2020, up 5.27% compared to 2019. Though the growth rate has slowed, online advertising still accounted for 65.31% of overall advertising volume. Mobile advertising is still the main form of online advertisement, amounting to NT$19.901 billion and accounting to 41.24% in 2020.

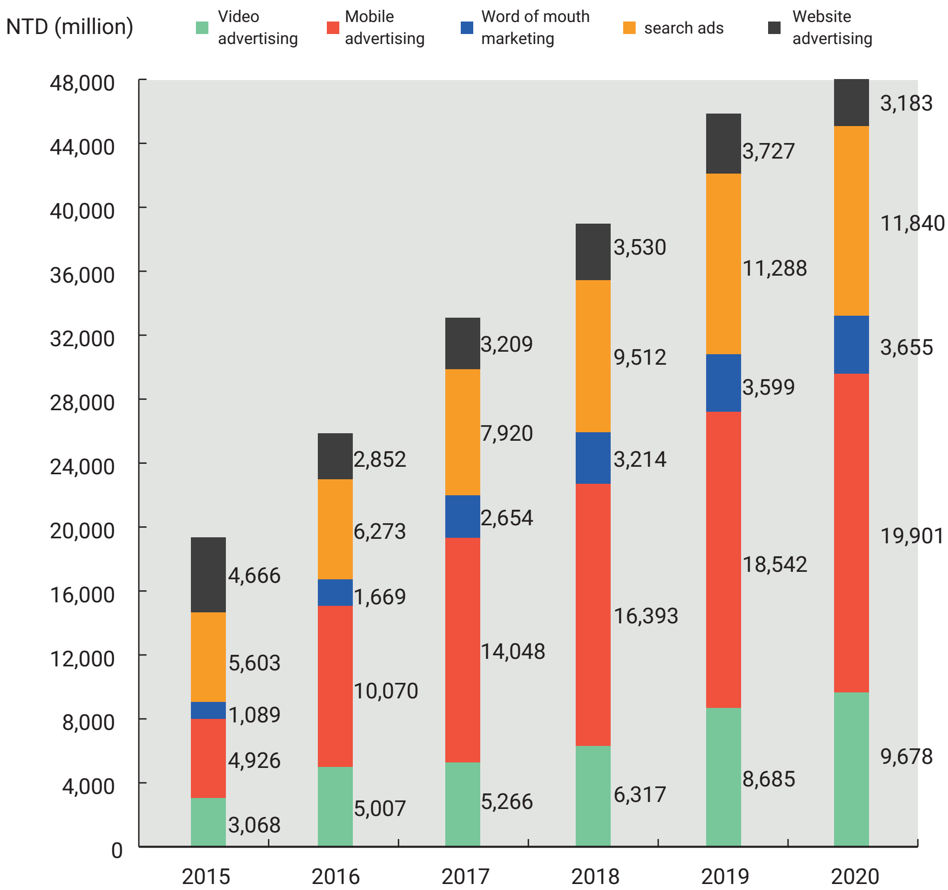


Figure 2-12. Growth of online media advertising in Taiwan from 2015 to 2020

■ ***Source:*** Summarized from *Taiwan Digital Advertising Statistics Report 2020*, Digital Marketing Association (DAA).

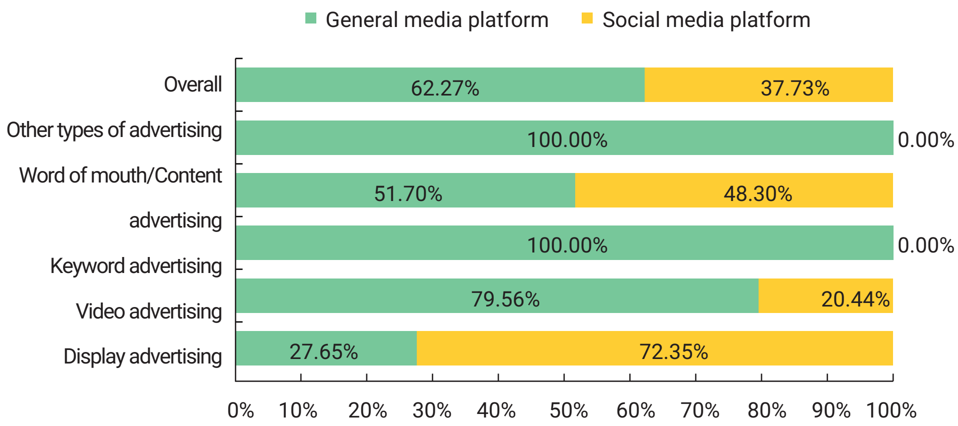


Figure 2-13. Percentage of online advertising on each media platform in 2020

■ ***Source:*** Summarized from *Taiwan Digital Advertising Statistics Report 2020*, Digital Marketing Association (DAA).

1.4.2. Analysis of program content production

Based on the number of television programs produced, there were approximately 56 newly produced dramas [4] in 2020, including weekly shows, daily shows, Da Ai shows (excluding Chang Ching Ju Zhan and Bodhi Meditative Mind), and Public Television shows (excluding anthologies such as Life Story). Out of these, Monstrous Me, Detention, the daily show You Go! Girls!, the weekly shows Moonlight Romance and The Haunted Heart were made simultaneously available on online platforms, demonstrating that more and more television dramas were collaborating with these platforms to increase public viewing opportunities through investment and sales of online broadcasting right.

In 2020, the main genres of Taiwanese TV dramas were romance (32.00%) and family (18.67%). However, due to an increase in the number of adaptations of popular web comics and novels in global dramas produced in recent years, more Taiwanese dramas in 2020 included elements such as time travel, science fiction, rural tales, and myths, resulting in a 14.67% increase in the fantasy genre compared to 2019.

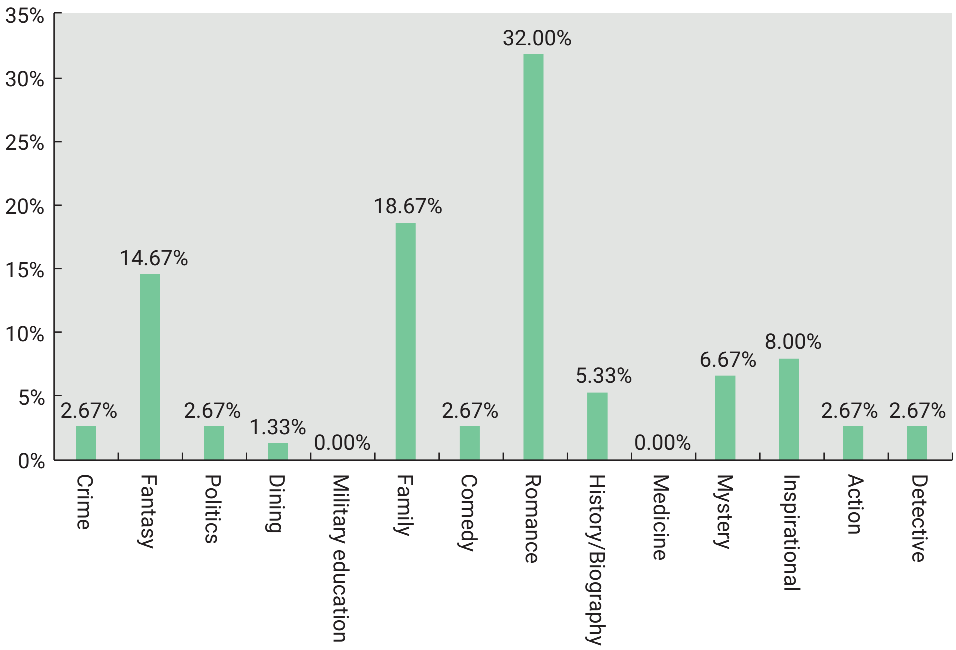


Figure 2-14. Topics and elements of television programs produced in 2020

■ ***Notes:***
1.The naming of the types of dramas referenced the categories from the British Film Institute. Newly added categories include military life, medical, food, politics, and martial arts.
2. This survey manually determined the newly produced dramas in 2020. Each drama may be categorized under a maximum of three genres (taking into consideration the purpose of production and nature of the television dramas, but excluding Da Ai shows and anthologies such as Life Story).
■ ***Source:*** The program schedule of domestic and overseas channel was summarized by this survey.

[4] The calculation for the number of productions was based on TV dramas that premiered in 2020, including cross-year productions. The number of new productions was 48.

A total of 14 online dramas (exclusively available on online platforms) were created in 2020, with varied production aims and budget scales. Productions with varied episode lengths and styles were created owing to the flexibility of online platforms. Normal-length series such as The Victims' Game coexisted with short-episode series such as Non-Reading Club (10 to 20 minutes per episode) that catered to online audiences' preference for short video entertainment, resulting in a diversity of plot editing and production scales.

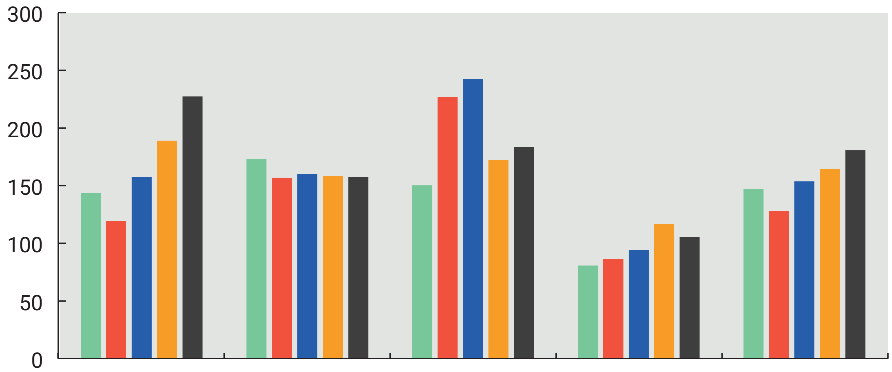
Table 2-7. Taiwanese online series and broadcast status in 2020

Title	Format	Minutes per episode	Number of episodes	Broadcast platform	Overseas broadcast regions in 2020
The Victim's Game	Similar to usual TV series	62~68	8	Netflix	Netflix available countries
True Lie*	Similar to usual TV series	45	4	LINE TV	-
Fly the jumper	25 minutes	25	4	myVideo	-
Love Alice or not*	25 minutes	25	3	Vidol and LINE TV	Vidol available countries
76 Horror Bookstore: Tin of Fear - Rent	25 minutes	25	1	myVideo	Malaysia (2021)
76 Horror Bookstore: Tin of Fear - Hunger	25 minutes	25	1	myVideo	Malaysia (2021)
76 Horror Bookstore: Tin of Fear – Hide and Seek	25 minutes	25	1	myVideo	Malaysia (2021)
76 Horror Bookstore: Tin of Fear - Taxi	25 minutes	25	1	myVideo	Malaysia (2021)
Kill for Love	25 minutes	25	4	myVideo	-
Zihuatanejo	Flexible duration	18~25	14	myVideo and KKTV	-
8 Days Limited	Flexible duration	18~24	12	Vidol, SETN.com, SET YouTube channel	Vidol and YouTube available countries
Non-Reading Club	Short episode length with flexible duration	10~12	12	myVideo	-
Craving You	Short episode length with flexible duration	9~15	10	KKTV, GagaOOLala, and YouTube	GagaOOLala available countries
Cometesting	Short episode length with flexible duration	13~18	8	WebTV Asia YouTube channel and LiTV	YouTube available countries

■ ***Notes:***
1.Online dramas listed in this table were defined as series that were only available on online platforms.
2.This table was based on series that were broadcast in 2020 and excludes microfilms and short entertainment videos.
3.The dramas marked with an asterisk were broadcast over different years.
4.A special edition of Kill for Love was shown on MOMOTV in 2020. The 76 Horror Bookstore series was played on STAR Chinese Movies in 2020 in movie format.
5.The 76 Horror Bookstore series was separately included due to having different main creators and involving different personnel for each episode.
■ ***Source:*** Summarized and organized by this survey.

1.4.3. Overview of manpower for program production

The manpower (including actors) for newly produced dramas in 2020 included headcount from 25 weekly shows, 16 daily shows, 6 Public Television shows, and 9 Da Ai TV shows. In 2020, the average production manpower per series (excluding large production extremities) was 180, up 9.87% from 2019. Weekly shows had a 20.37% increase in average production manpower per series compared to the previous year. Public Television shows had investments from international co-productions, resulting in a 6.45% increase in manpower per series compared to 2019.



Item	Weekly shows	Daily shows	PTS shows	Da Ai shows	Total number of people
2016	143	173	150	81	147
2017	119	157	227	86	128
2018	157	160	242	94	153
2019	189	158	172	117	164
2020	227	157	183	105	180

Figure 2-15. Average production manpower (including actors) of domestic television series from 2016 to 2020

■ ***Source:*** Summarized by this survey from the list of actors and staff of each program.

In addition, due to investment strategies such as collaborations in content development, script proposals, or copyright purchases by domestic and foreign media platforms, the disparity in production manpower (including actors) for different series of content has become more apparent. In 2020, both weekly shows and Public Television shows had large-scale productions, with an average manpower of 400 or above per drama. In terms of series productions with manpower between 200 and 400, weekly shows had the highest average manpower (281 people). In contrast, Da Ai shows had the lowest manpower investment of all types of dramas, with fewer large-scale productions being aired. Nonetheless, the aggregate amount of manpower involved in television series production remains on the rise.

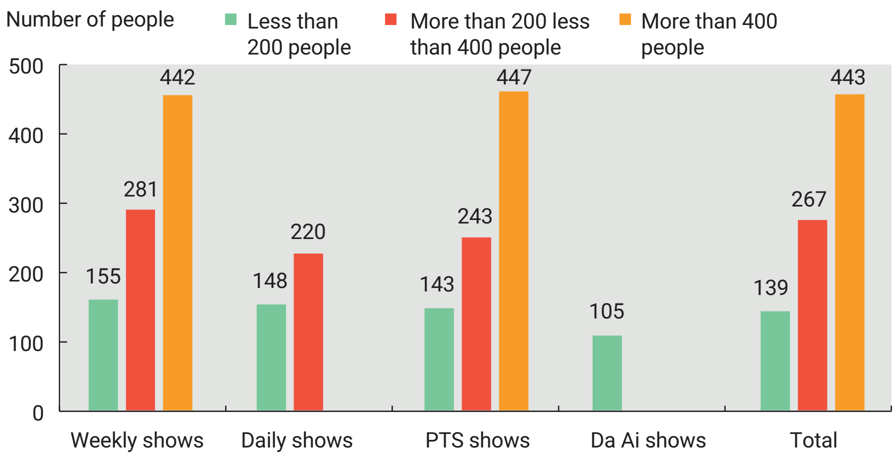
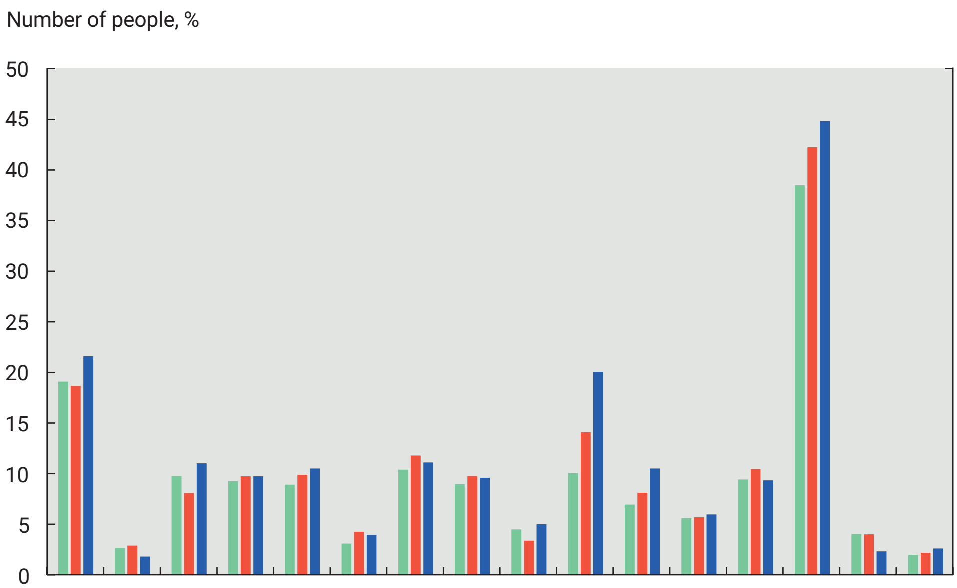


Figure 2-16. Average production manpower (including actors) of domestic television series in 2020 – according to the number of people

■ ***Notes:*** Large-scale extremities were included because the headcount was displayed in the form of range intervals.

■ ***Source:*** Summarized by this survey from the list of actors and staff of each program.

In terms of how manpower was allocated across the industry, manpower requirements for “director/screenwriter” and “post-production” increased the most in 2020, by 36.36% and 42.07%, respectively, as production budgets continue to rise and market demand for higher-quality content increases. However, manpower requirements for other positions largely remained unchanged.



Item	Planning/Production	Coordination	Director/Screenwriter	Filming	Lighting/Grip	Sound production	Art	Costume design	Editing	Post-production	Soundtrack	Opening and closing credits/ Outtakes/Previews/Stills and behind the scenes	Marketing/Promotion	Actor	Specialized skills/ Stunts/Martial arts	Other/Equipment
2018	19.13	2.67	9.8	9.27	8.93	3.09	10.42	8.98	4.49	10.07	6.96	5.62	9.44	38.58	4.04	1.98
2019	18.72	2.91	8.11	9.76	9.91	4.26	11.81	9.78	3.37	14.15	8.13	5.69	10.46	42.35	4.02	2.17
2020	21.67	1.81	11.06	9.77	10.54	3.94	11.12	9.62	5.02	20.1	10.54	5.98	9.35	44.94	2.31	2.60
Growth rate from 2019 to 2020	15.74%	-37.75%	36.36%	0.11%	6.39%	-7.50%	-5.88%	-1.61%	48.95%	42.07%	29.65%	5.19%	-10.64%	6.11%	-42.52%	20.00%

Figure 2-17. Changes in average production manpower (including actors) per television series in Taiwan from 2018 to 2020

■ ***Source:*** Summarized by this survey from the list of actors and staff for each aspect of production.

The average production manpower per online drama in 2020 was 131 people (excluding large-scale production), up 2.34% compared to 2019.

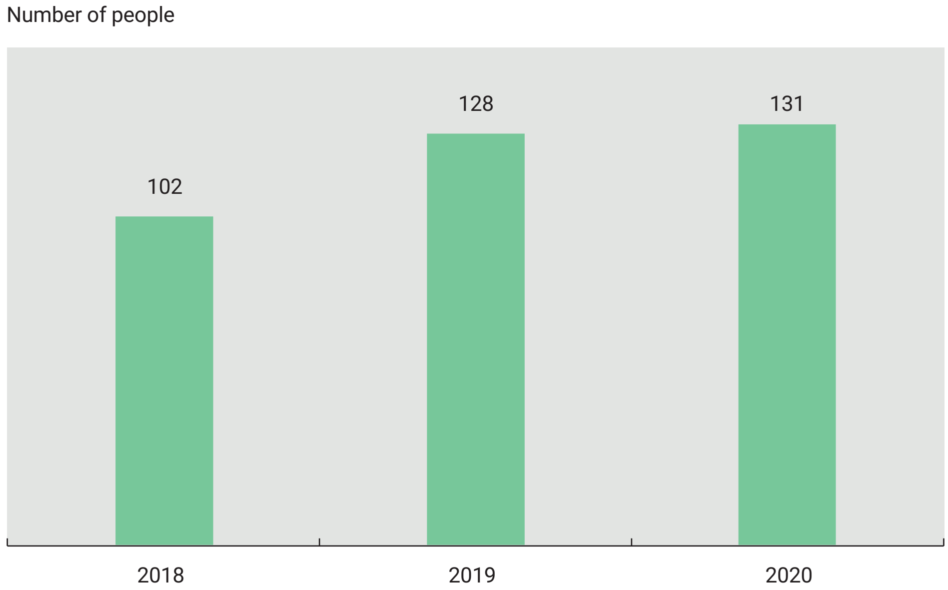
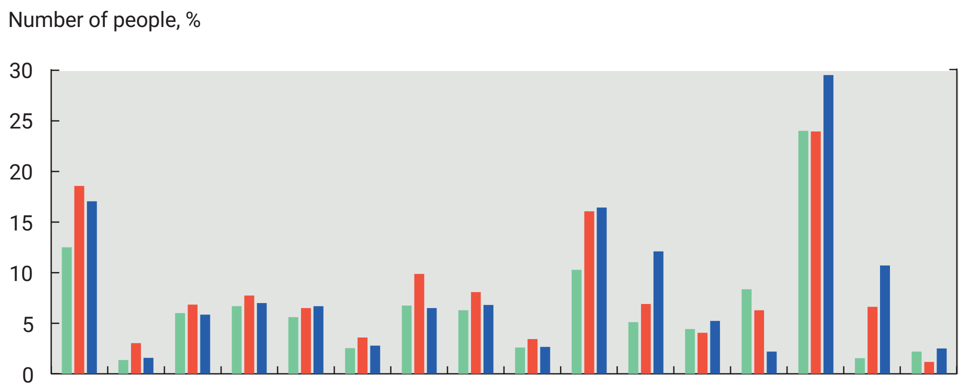


Figure 2-18. Average production manpower (including actors) per online drama from 2018 to 2020

■ ***Notes:*** The method for calculating production manpower for online dramas remained unchanged from previous years. Online dramas were therefore defined as content that premiered on online platforms.
■ ***Source:*** Summarized by this survey from the list of actors and staff of each program.

"Actors" accounted for approximately 21.76% of online drama production personnel in 2020, with an average of 29 actors per show. This was a 23.35% increase over 2019, caused by the increased demand for actors in various types of plotlines as online dramas became more diverse. "Planning/production" and "post-production" manpower requirements accounted for 12.56% and 12.11% of total manpower requirements, respectively; post-production manpower requirements increased by 2.25% over the previous year. The use of "specialized skills/stunts/martial arts" manpower continued to aid in the development of various types of content, such as professional drama (medical, criminal investigation, etc.) or the integration of more martial arts, resulting in an increased demand for consultations, coaches, and professional personnel hired for various fields of expertise.



Item	Planning/Production	Coordination	Director/Screenwriter	Filming	Lighting/Grip	Sound production	Art	Costume design	Editing	Post-production	Soundtrack	Opening and closing credits/ Outtakes/Previews/Stills and behind the scenes	Marketing/Promotion	Actor	Specialized skills/ Stunts/Martial arts	Other/Equipment
2018	12.07	1.33	5.80	6.47	5.40	2.47	6.53	6.07	2.53	9.93	4.93	4.27	8.07	23.2	1.50	2.13
2019	17.93	2.93	6.60	7.47	6.27	3.47	9.53	7.80	3.33	15.53	6.67	3.93	6.07	23.13	6.41	1.13
2020	16.47	1.53	5.65	6.76	6.47	2.71	6.29	6.59	2.59	15.88	11.71	5.06	2.12	28.53	10.35	2.41
Growth rate from 2019 to 2020	-8.14%	-47.78%	-14.44%	-9.44%	3.20%	-22.02%	-33.95%	-15.54%	-22.28%	2.25%	75.50%	28.72%	-65.11%	23.35%	61.41%	113.43%

Figure 2-19. Changes in average production manpower (including actors) per online drama in Taiwan from 2018 to 2020

■ ***Source:*** Summarized by this survey from the list of actors and staff of each program.

1.4.4. Overview of the sources of funding for series production

In 2020, out of the 75 newly produced series (including television series and online series, as calculated by airtime) in Taiwan, 16 series (21.33%) were jointly invested by online media platforms. In terms of domestic platforms, Taiwan Mobile Co., Ltd. (myVideo) was the most active investor, followed by CHOCO Media (LINE TV), and KKTV CO., LTD. (KKTV). In terms of overseas platforms, iQiyi and Youku both invested in producing their own series.

As for investments that came from businesses outside the industry in 2020, domestic venture capitalists, other enterprises, and media advertising groups invested in around five newly created series. Aside from venture capital firms, the other investors were mostly from the cultural and creative industries, such as popular music, cultural venues, and related fields. Media advertising groups such as Dentsu Group invested and participated in series production. This was consistent with the current trend of content producers asking media agencies and advertisers to participate in the early stages of series development in order to achieve mutually advantageous outcomes for all parties.

Table 2-8. Distribution of investment scenarios for Taiwan's drama series in 2020

Sources and method of funding	Number of series	Proportion of total new productions in 2020	Notes
Funding from online video platforms	16	Domestic platform: 17.33% Overseas platform: 4.00%	-
Funding from public sectors	14	18.67%	Including public funds and local government investments, etc.
Funding from non-industry businesses	4	5.33%	Cross-sector investments, including venture capital firms and private funds from outside the film and television industries
Funding from offshore investments	6	8.00%	-

■ ***Notes:*** The table above includes double-counted data because a series may receive simultaneous investments from broadcasting platforms, offshore funds, or funds outside of the industry.
■ ***Source:*** Lists of casts (produced, co-produced, and collaborated) and related news reports were compiled and summarized by this survey.

1.4.5. Ratios of new broadcasts, premieres, and reruns on domestic television channels

With regard to the ratio of new broadcasts, premieres, and reruns on various channels, the average ratio of new broadcasts on domestic television channels was 15.26% in 2020, a 6.61% decline compared to 2019; terrestrial television had the highest ratio of new broadcasts compared with other channels at 33.38%, while movie channels had the lowest ratio at only 2.25% and had an almost 90% (88.89% to be exact) rerun rate.

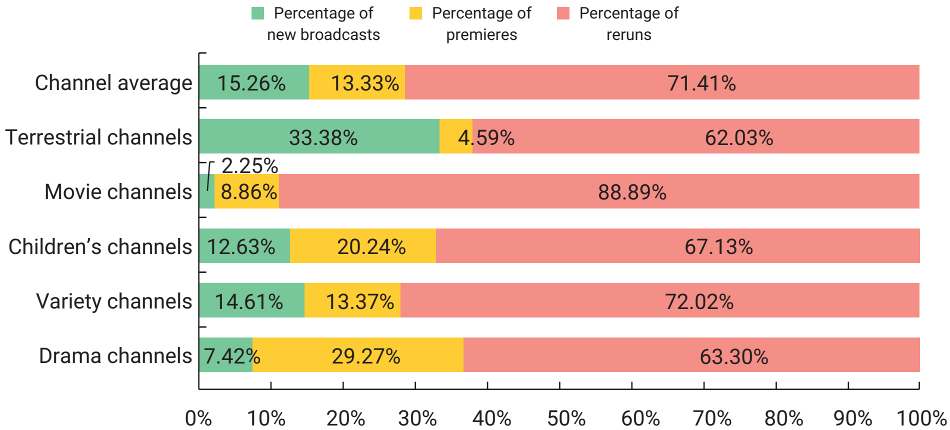


Figure 2-20. Ratios of new broadcasts, premieres, and reruns on Taiwan's television channels in 2020

■ ***Notes:***
1. Among the types of channels analyzed by this survey, satellite television channels mainly consisted of cable TV systems. Drama channels included EBC Drama Channel, Videoland Drama Channel, and GTV Drama Channel. Variety channels included CTi Entertainment, CTi Variety, GTV One, GTV Variety, SET Taiwan, SET Metro, EBC Variety, Star Chinese, Videoland Variety, TVBS (Variety Channel), TVBS-G, MUCH TV, Super TV, Azio TV, and JET Variety. Movie channels only included EBC Movie, EBC Foreign Movie, VideoLand Movie, and SCM, while children's channels only included EBC YOYO TV and MOMO Kids.
2. Data on rates of new broadcasts, premieres, and reruns was taken from NCC Open Data: "Satellite TV channels broadcast programs according to the number of hours and proportions of new broadcasts, premieres, and reruns" and "Terrestrial television channels broadcast programs according to the number of hours and proportions of new broadcasts, premieres, and reruns." The definitions of television channel new broadcasts, premieres, and reruns were based on the definitions of the NCC, and the sum of the categories above was 100%. The NCC's revised definition of "new broadcast" was "the first time a program is broadcast by a domestic cable TV broadcast system operator (including cable TV program broadcast systems), live satellite broadcast television service company, or other public broadcasting platform."

■ ***Source:*** Summarized from the NCC open data.

1.4.6. Types of programs broadcast in Taiwan

The types of programs that accounted for the highest proportion of the total hours of content played on domestic television channels were general programs [5], news, drama series, movies [6], sports, variety shows [7], and cartoons [8]. General programs (23.70%) and variety shows (6.66%) accounted for the highest percentage, totaling 30.36%, which was a slight increase compared with 2019. The proportion of news programs played declined slightly and accounted for 22.73% of the total. While the broadcast ratio of drama series diminished compared with 2019, the overall broadcast status of various types of television programs in 2020 remained similar to the previous year.

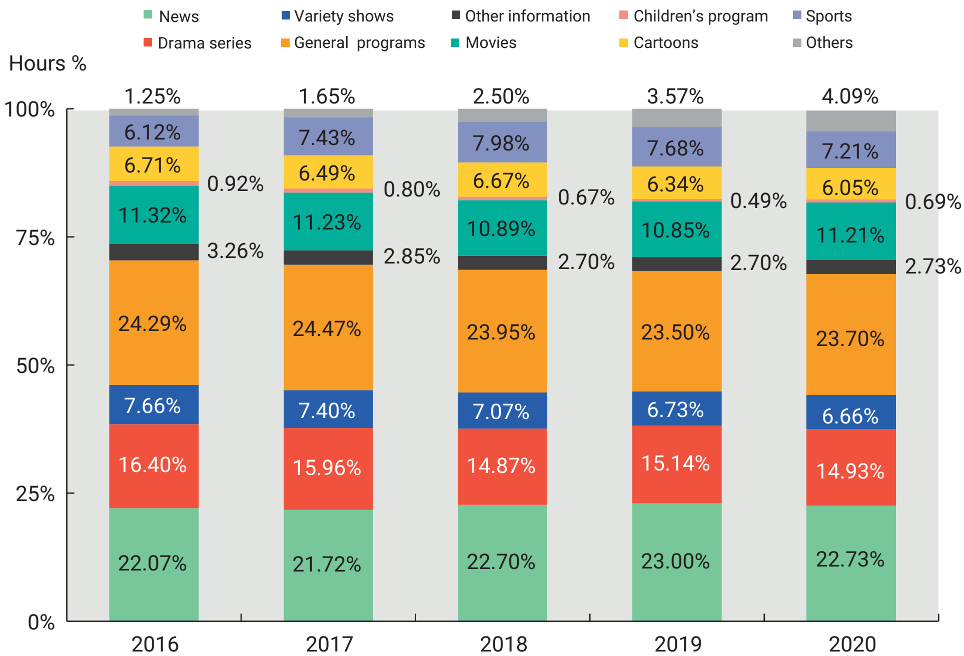


Figure 2-21. Distribution of different types of programs broadcast at all hours in Taiwan from 2016 to 2020

■ ***Source:*** Nielsen.

[5] According to the definition by the Bureau of Audiovisual and Music Industry, MOC., general programs include natural science, humanities, and lifestyle programs, as well as games and reality shows. The scope of this survey comprises variety shows, information, food, and travel programs based on categories classified by the Nielsen Company.

[6] "Movies" include domestic and foreign motion pictures as well as European and American series.

[7] The definition of a variety show for this year differed from last year's definition. Based on the Nielsen classification, this year's variety shows include entertainment, music, and competition variety shows.

[8] "Cartoons" include both children's cartoons and anime for teenagers.

1.4.7. Television drama broadcasting overview

A total of 95,716 hours of television programs were broadcast in 2020, a slight increase of 0.19% compared to 2019. As for the distribution of broadcast countries, Taiwanese dramas (including Mandarin series, Hakka series, and Mandarin-Taiwanese anthology series) had an overall decline compared with 2019, totaling 31,529 hours and accounting for 32.94% of the total hours of television dramas broadcast.

In terms of overseas dramas, Chinese dramas accounted for the highest proportion (34.73%), with a total of 33,239 hours broadcast in 2020. This was an increase of 6.97% when compared with the data from 2019. More than half of the broadcast hours of overseas dramas came from Chinese dramas this year. This was also the first time in recent years that Chinese dramas surpassed Taiwanese dramas in terms of the number and percentage of overall broadcast hours. In terms of other overseas dramas, broadcast hours for Korean dramas continued to decline (-15.43%), while Japanese dramas improved significantly (103.58%). This might be attributed to certain television broadcasting stations shifting their content from Korean dramas to Thai dramas, or to collaborations with Fuji TV to show reruns of iconic Japanese dramas such as Long Vacation and HERO.

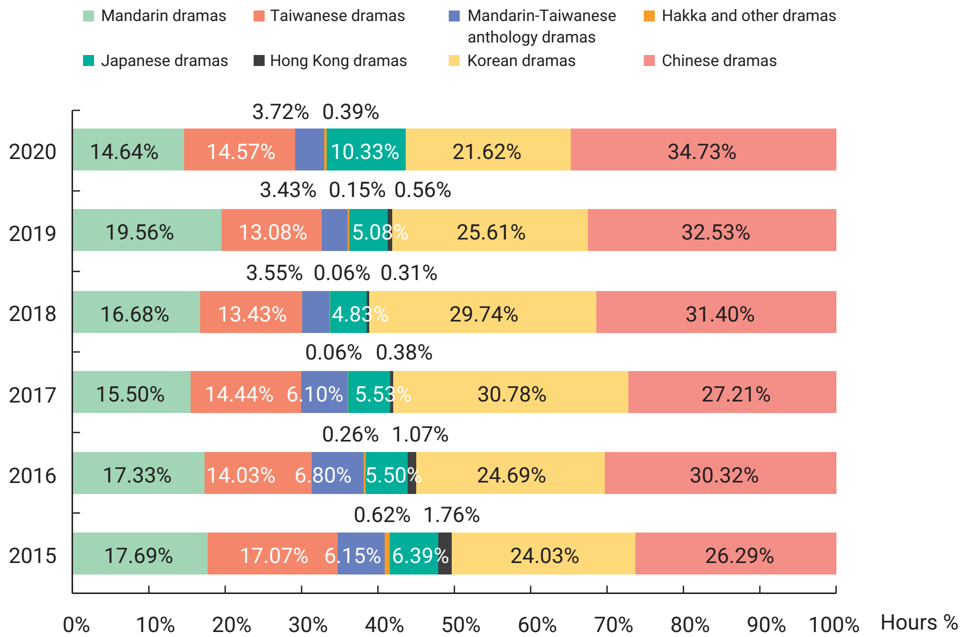


Figure 2-22. Breakdown of dramas broadcast at all hours by language from 2015 to 2020

■ ***Notes:*** The Nielsen TV ratings for 2020 did not include Hakka Television Station. Stations that were monitored did not have ratings for Hakka dramas and Hong Kong dramas, so the "Hakka and other dramas" category in 2020 did not include Hakka dramas.
■ ***Source:*** Nielsen.

Television dramas were broadcast for a total of 31,316 hours during prime time in 2020, a growth of 3.20% compared to 2019. Domestic dramas ranked second in terms of prime-time broadcast hours, accounting for nearly 30% of the total. This was mainly due to the recent emergence of refined Taiwanese drama series with fewer episodes, which meant that once these newly produced domestic dramas ended airing, the customary broadcast hours for dramas would have to be replaced with reruns of overseas dramas. In terms of prime-time broadcasting of overseas dramas, the number and proportion of broadcast hours for other dramas (such as Thai dramas), Japanese dramas, and Chinese dramas generally grew.

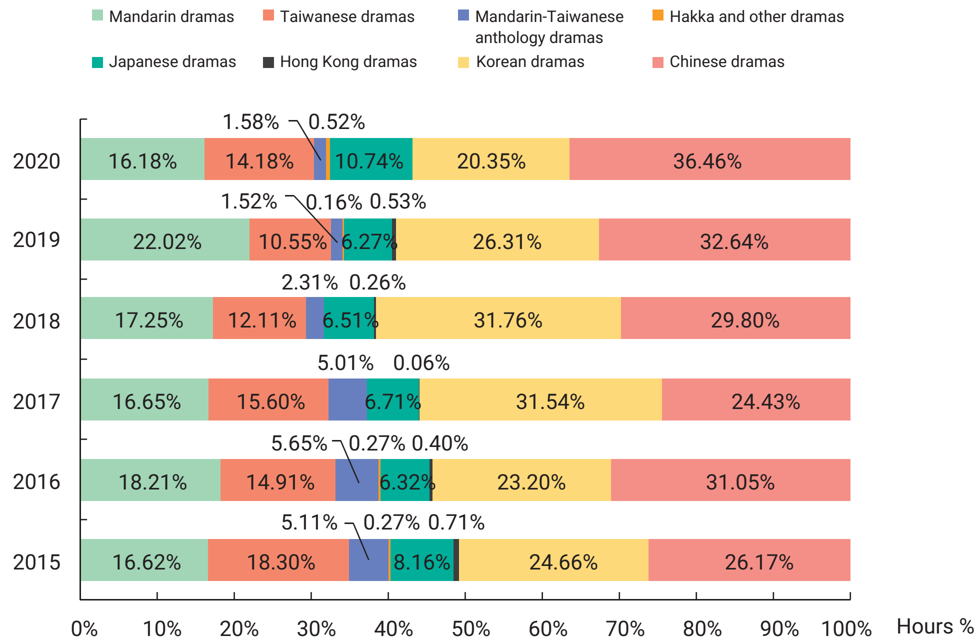


Figure 2-23. Breakdown of dramas broadcast in prime time by language from 2015 to 2020

■ ***Notes:*** The Nielsen TV ratings for 2020 did not include Hakka Television Station. Stations that were monitored did not have ratings for Hakka dramas and Hong Kong dramas, so the "Hakka and other dramas" category in 2020 did not include Hakka dramas.

■ ***Source:*** Nielsen.

1.4.8. Overview of drama ratings in Taiwan

Taiwanese dramas maintained their lead in ratings in 2020, with 0.59%, despite a two-year decline. In 2020, Mandarin dramas had an average rating of 0.14%, which was the same as in 2019. Mandarin-Taiwanese anthology dramas had an average rating of 0.11%, which was slightly lower than in 2019.

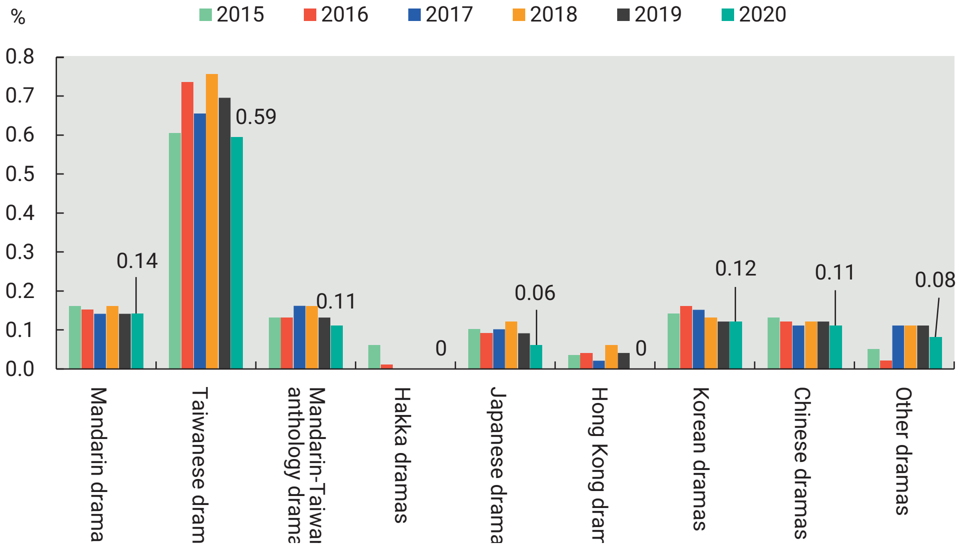


Figure 2-24. Average viewership of dramas by language and country from 2015 to 2020

■ ***Notes:*** Only partial data is presented because the Nielsen TV ratings for 2020 did not include Hakka and Hong Kong dramas.
■ ***Source:*** Nielsen.

2 Motion Picture Industry

2.1. Industry overview

2.1.1. Number of companies in the domestic motion picture industry

According to data provided by the Ministry of Finance, the number of companies in Taiwan's motion picture industry in 2020 was 2,030, which was an increase of 12.03% from the previous year. In terms of subindustries, there were 1,564 companies involved in motion picture production, accounting for 77.04% of the total number of businesses and showing an increase of 13.99%. The second biggest subindustry was motion picture post-production and special effects (including equipment rental), which increased by a substantial 23.29% compared to last year. This was mostly probably due to the stylized development of domestic movie content, which increased demand for post-production and special effects, resulting in the growth of related industries.

Furthermore, the number of motion picture distribution and film screening companies fell in 2020, due to the impact of the COVID-19 pandemic on the domestic distribution and screening market, which forced a number of companies to suspend operations or go out of business.

Table 2-9. Number and percentage of companies in the subindustries of Taiwan's motion picture industry in 2020

Unit: Number of companies, %

Item	2019	2020	Accounted percentage in 2020	Growth rate from 2019 to 2020
Motion picture production	1,372	1,564	77.04%	13.99%
Motion picture post-production and special effects	146	180	8.87%	23.29%
Motion picture distribution	167	164	8.08%	-1.80%
Motion picture screening	127	122	6.01%	-3.94%
Total	1,812	2,030	100%	12.03%

■ ***Source:*** Fiscal Information Agency of the Ministry of Finance.

2.1.2. Average scale of capital in the domestic motion picture industry

The scale of the motion picture industry businesses in Taiwan was predominantly in the $1–5 million range, accounting for approximately 29.7% of the total number of businesses, followed by $10–50 million, accounting for 24.11%. Micro businesses with a capital scale of less than $1 million and large-scale enterprises with a capital scale of over $100 million each account for 11.98% and 11.31%, respectively.

Table 2-10. Capital scale of businesses in the subindustries of Taiwan's motion picture industry in 2020

Unit: %

Industry	Motion picture production industry	Motion picture post-production industry	Motion picture distribution industry	Motion picture screening industry	Total
≤NT$100,000	0.93%	5.76%	1.57%	7.50%	2.72%
NT$100,000 to NT$500,000 (not inclusive)	5.86%	5.76%	6.28%	0.00%	5.31%
NT$500,000 to NT$1 million (not inclusive)	3.40%	5.76%	3.66%	3.75%	3.95%
NT$1 million to NT$5 million (not inclusive)	33.95%	38.85%	27.75%	1.25%	29.70%
NT$5 million to NT$10 million (not inclusive)	16.05%	7.91%	15.18%	40.00%	16.89%
NT$10 million to NT$50 million (not inclusive)	25.00%	21.58%	28.80%	13.75%	24.11%
NT$50 million to NT$100 million (not inclusive)	5.25%	4.32%	6.81%	10.00%	5.99%
NT$100 million to NT$500 million (not inclusive)	5.86%	7.91%	5.24%	13.75%	6.95%
NT$500 million to NT$1 billion (not inclusive)	2.47%	1.44%	3.14%	3.75%	2.59%
≥NT$1 billion	1.23%	0.72%	1.57%	6.25%	1.77%
Total	100%	100%	100%	100%	100%

■ ***Source:*** Ministry of Economic Affairs business registration.

Within the subindustries, 60% or less of motion picture production companies were below $10 million in capital scale, while 44.14% were below $5 million. Large-scale businesses with more than 100 million accounted for 9.56% of the total.

The capital of motion picture post-production companies was mainly between $1–5 million, accounting for 38.85% of the total number of companies in this subindustry, followed by those with a capital of $10–50 million, accounting for 21.58%. The percentage of companies with a capital of less than NT$1 million was approximately 17.28%, which was comparatively higher than in other subindustries and was a slight increase compared to the previous year.

The capital scale of motion picture distributors showed polarized development and was mainly distributed between $10–50 million (28.8%) and $1–5 million (27.75%). This was due to motion picture distributors in Taiwan being mostly independent distributors that are SMEs, and Hollywood distributors established in Taiwan having relatively small capital. The capital scale of domestic distributors such as Vie Vision Pictures, GaragePlay, etc., mostly fell between 10–50 million.

As for the motion picture screening industry, 40% of the companies had a capital of $5–10 million, while 13.75% had a capital of $10–50 million. The percentage of companies with a capital of more than 100 million was 23.75%, which was comparatively higher than in the motion picture production, post-production, and distribution subindustries. These large-scale companies were mostly movie theater chains.

2.1.3. Number of employees in the domestic motion picture industry

In 2020, a total of 4,396 people were employed in the overall motion picture industry, down 8.03% compared to the previous year. This was mainly due to the impact of the epidemic, which caused the number of employees in each subindustry to decrease compared to the previous year. This was particularly evident in the motion picture screening and distribution industries, which fell by 9.73% and 8.36%, respectively. Due to the shorter duration of the pandemic outbreak in 2020, most filming schedules were restored. This allowed the motion picture production and motion picture post-production special effects industries to bear a smaller impact, resulting in employment declines to only 1.77% and 1.58%, respectively, compared to the previous year.

Furthermore, the questionnaire survey showed that a relatively high percentage of formal employees were female, accounting for 51.17%, while male employees accounted for 48.83%. Almost 60% of employees in the motion picture screening industry were female, resulting in the higher percentage of female employees in the overall motion picture industry. Male employees accounted for 58.64% of all employees in the motion picture post-production and special effects industries.

Table 2-11. Number of employees in Taiwan's motion picture industry from 2016 to 2020

Unit: Number of people, %

Industry \ Year	2016	2017	2018	2019	2020	Growth rate from 2019 to 2020	Gender ratio in 2020	
							Male	Female
Motion picture production	367	375	374	396	389	-1.77%	52.61%	47.39%
Motion picture distribution	367	397	369	359	329	-8.36%	51.37%	48.63%
Motion picture post-production and special effects	402	393	396	380	374	-1.58%	58.64%	41.36%
Motion picture screening	3,423	3,647	3,733	3,660	3304	-9.73%	42.12%	57.88%
Total	4,559	4,812	4,872	4,780	4,396	-8.03%	48.83%	51.17%

■ ***Source:*** Estimated by the survey.

2.2. Revenue and business model

2.2.1. Revenue structure of the year — revenue items

Over 70% of companies in the motion picture production industry had a revenue of less than NT$10 million, of which those with a revenue of NT$1–5 million accounted for the highest proportion, with 36.78%. Due to the pandemic, 56.32% of businesses had decreased revenue compared to 2019.

Based on the sources of revenue, the motion picture production industry still relied on content production as its main source of income (accounting for about 56.08% of all revenue sources), with television series being the main content produced. Online video content production also accounted for a higher proportion than last year. Furthermore, the proportion of revenue from screenwriting and content pre-development grew compared to the previous year. This meant that businesses were getting more involved in project development and content pre-production, which led to a rise in this revenue item.

In general, multinational OTT platforms' localization initiatives have resulted in an increasing demand for more content of greater quality. Domestic motion picture production businesses responded by diversifying their business methods, including participation in early-stage content development, production of content for television, and creation of content for internet consumption, with the goal of eventually expanding revenue streams.

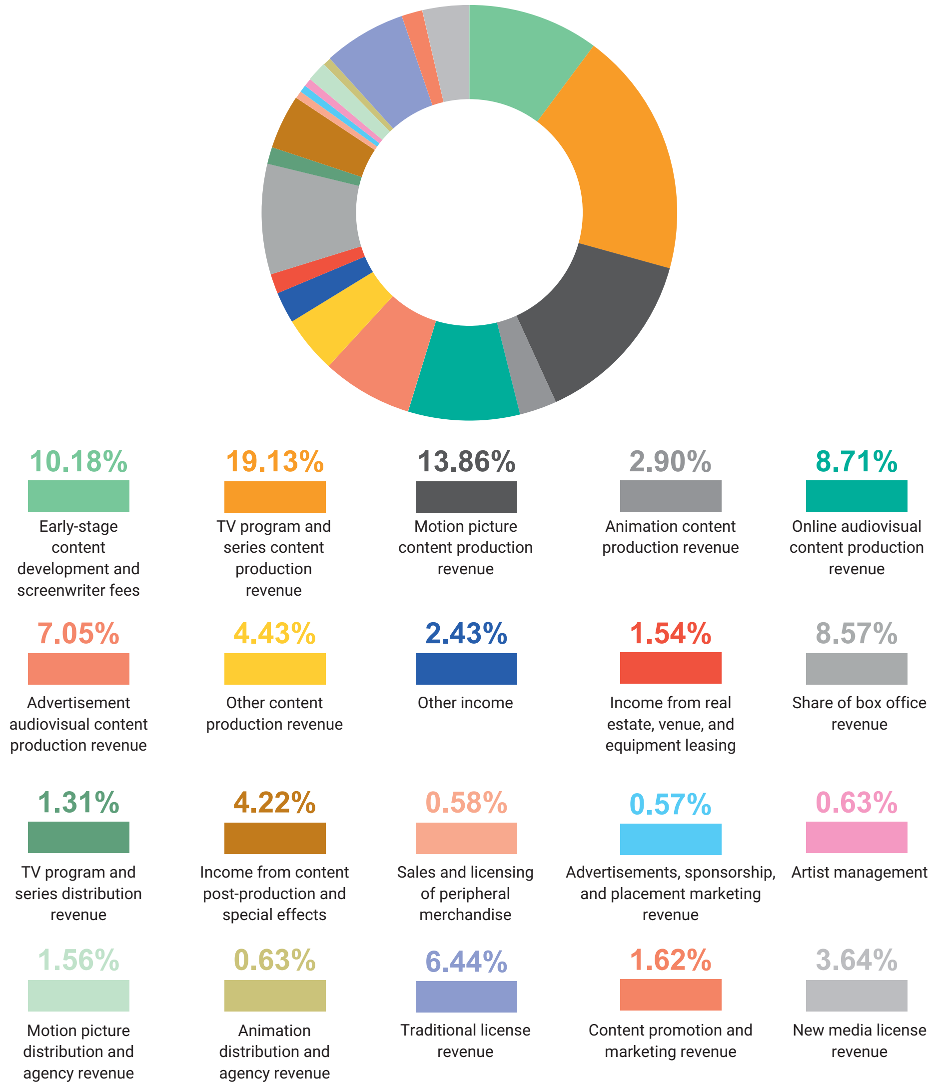


Figure 2-25. Revenue structure of Taiwan's motion picture industry in 2020

■ ***Source:*** Summarized by this survey.

In the motion picture distribution industry, around half of the companies had a revenue of less than NT$10 million in 2020. A quarter of these businesses had revenue of more than NT $1 million but less than NT $5 million. The pandemic affected 54.90% of all enterprises in the industry, leading to a fall in revenue from the previous year.

In terms of revenue structure, box office shares were the main source of revenue, accounting for approximately 20.31% of the total; this was followed by traditional copyright and motion picture content production revenues, accounting for 16.51% and 10.83%, respectively.

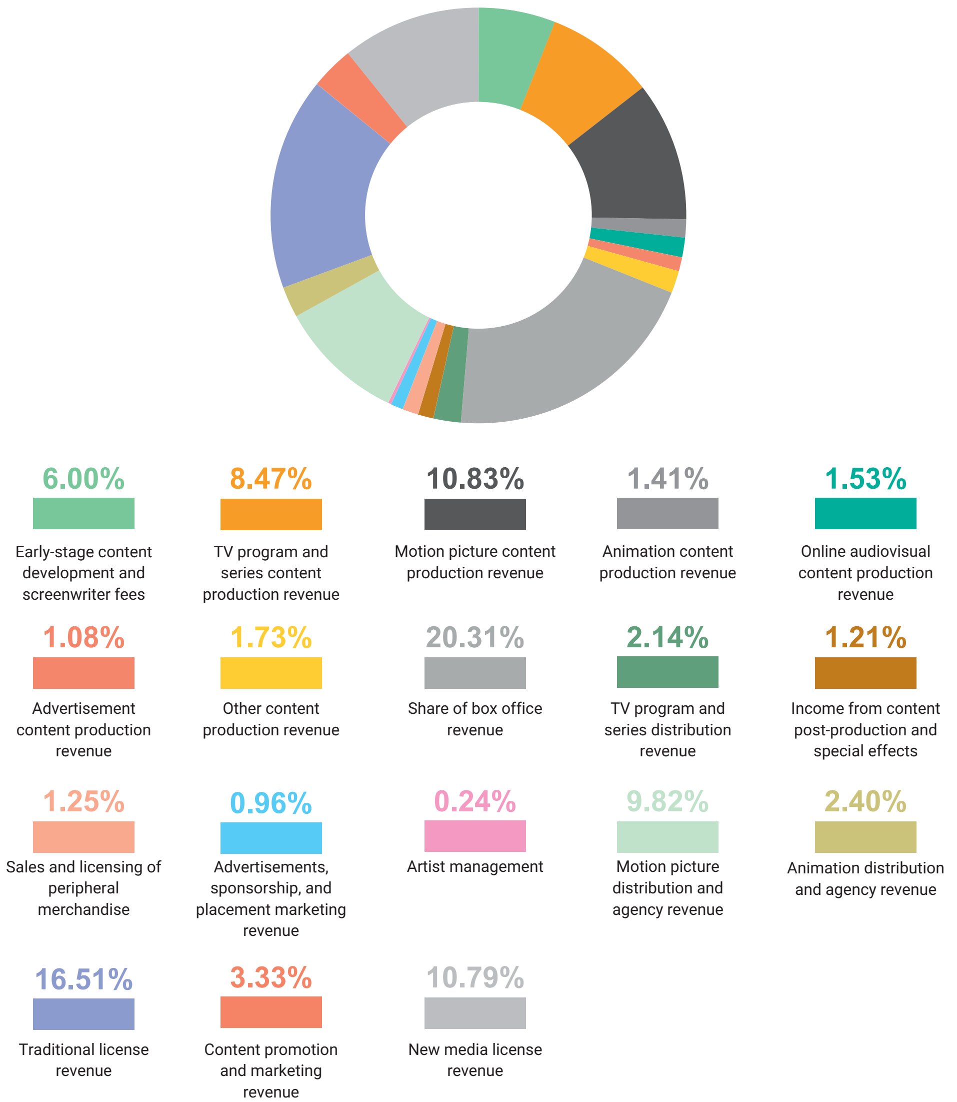


Figure 2-26. Revenue structure of Taiwan’s motion picture distribution industry in 2020

■ ***Source:*** Summarized by this survey.

In the motion picture post-production and special effects industry, over half of the businesses had a revenue of less than NT$10 million in 2020. 35.14% of these businesses had revenue of more than NT $1 million but less than NT $5 million. The pandemic affected 59.46% of all enterprises in the industry, leading to a fall in revenue from the previous year.

In terms of revenue structure, the primary source of revenue for the domestic motion picture post-production and special effects industry was still post-production and special effects related operations, accounting for 60.92% of total revenue source. This was followed by 17.49% of animated content OEM. Television and online new media content were the primary subjects of operation for the domestic post-production and special effects industry, based on the types of content produced in recent years. Revenues generated from these content types have gradually increased in 2020 and have accounted for 28.9% and 15.45% of the total revenue, respectively. This phenomenon could be attributed to OTT platforms' continuous investments, which resulted in an increase in production quantity and budget for stylized content, leading to a rise in demand for post-production and special effects.

In addition to the post-production and special effects for films and television, the demand for visual effects for commercial and cultural exhibitions has also increased in recent years, allowing companies to undertake additional businesses to increase their revenue stream.

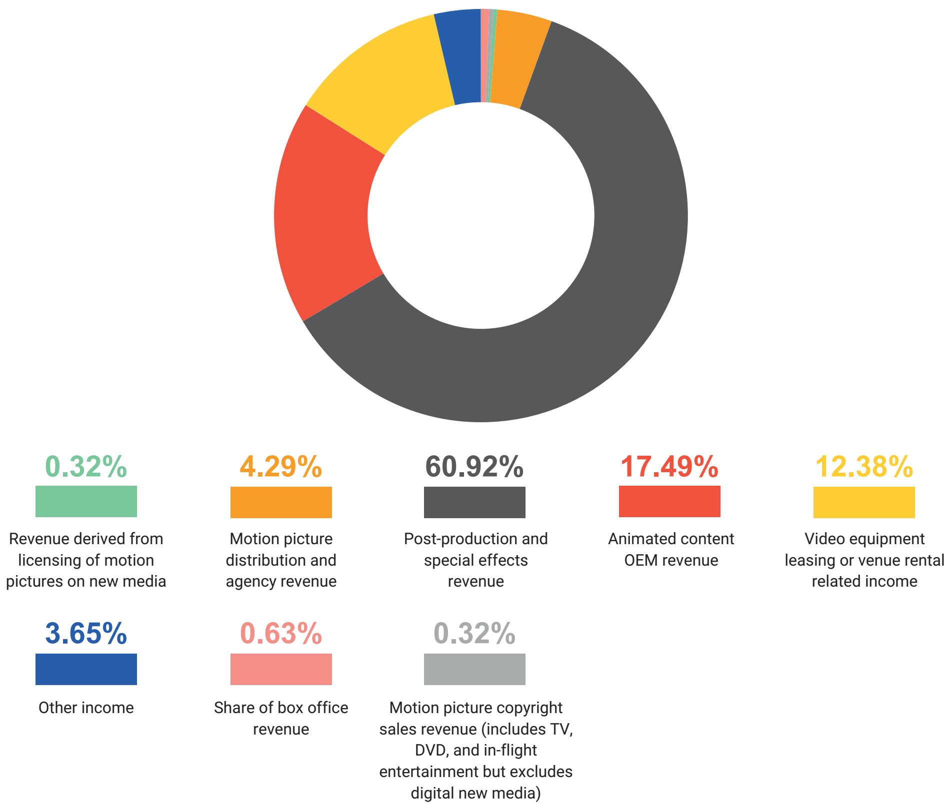


Figure 2-27. Revenue structure of Taiwan's motion picture post-production and special effects industry in 2020

■ ***Source:*** Summarized by this survey.

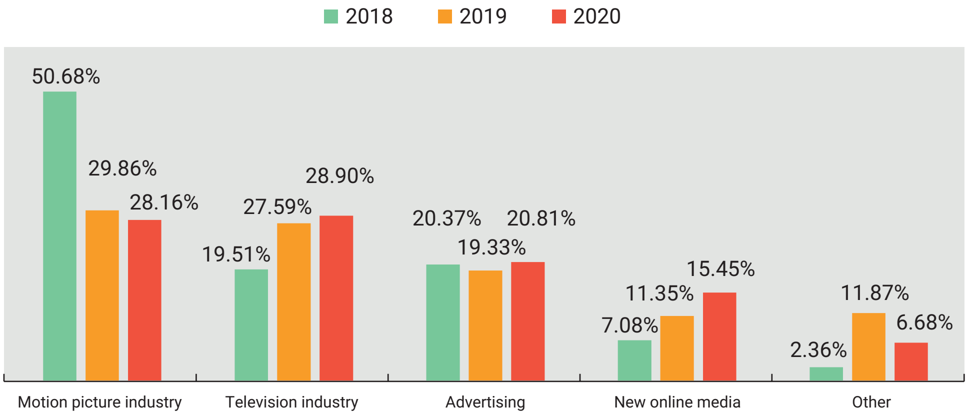


Figure 2-28. Breakdown of revenue from various types of content in Taiwan's post-production and special effects industry

■ ***Source:*** Summarized by this survey.

In the motion picture screening industry, 65.35% of companies had a revenue of less than NT$10 million in 2020, while 3.85% of the companies had a revenue of more than NT$100 million. The impact of the pandemic was reflected in the decrease in revenue in 2020.

In terms of the detailed revenue structure, 90.08% of the revenue still came from the screening of motion pictures, followed by sales of food and beverages, which accounted for 8.05%. The difference in revenue structures between movie theater chains and independent movie theaters was due to the proportion of income from advertising and sales of peripheral merchandise.

Item	Movie screening	Advertising revenue	Food and beverage sales	Derived merchandise sales	Other income
Movie theater chains	84.54%	2.52%	7.57%	1.58%	3.79%
Independent movie theaters	90.81%	0.34%	8.11%	0.08%	0.66%
Overall	90.08%	0.60%	8.05%	0.26%	1.01%

Figure 2-29. Revenue structure of Taiwan's motion picture screening industry in 2020

■ ***Source:*** Summarized by this survey.

2.2.2 Regions and overview of overseas revenue

As a result of the pandemic's impact in 2020, production and theatrical distribution of motion pictures in many countries were suspended or disrupted as a result of epidemic preventive efforts. Furthermore, international exhibits were either canceled or moved online, affecting the industry's foreign earnings. This year, overseas revenue accounted for just around 10% of total revenue, which was lower than in prior years.

In terms of source regions of foreign income, Mainland China and Hong Kong were the primary sources of revenue for motion picture production, distribution, and post-production special effects industries. However, owing to the development of the motion picture industry in these locations, as well as other external variables, the risk of doing business and the readiness to collaborate with domestic companies were influenced, resulting in a fall in the percentage of overseas revenue from these regions. In addition, because of the growth of domestic companies in the Southeast Asian market and OTT platforms in the last few years, the percentage of foreign revenue from Southeast Asia, Europe, and America has gone up.

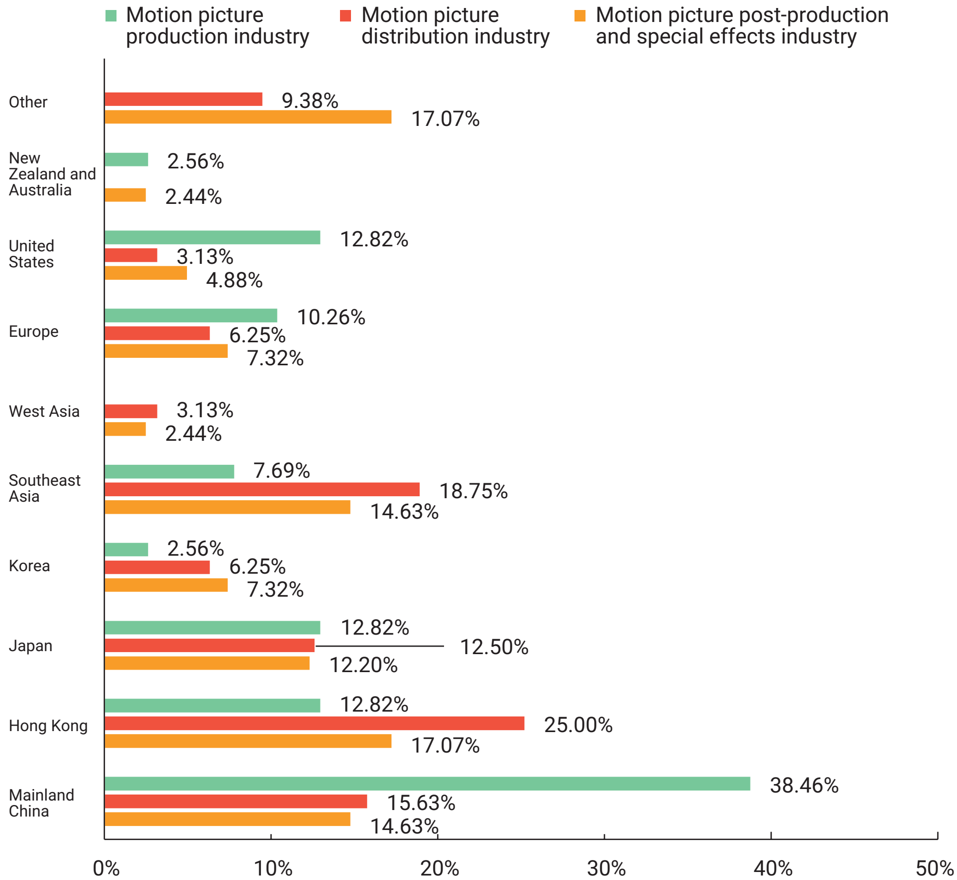


Figure 2-30. Sources of overseas revenue for Taiwan's motion picture industry in 2020

■ ***Notes:*** The breakdown of overseas revenue was measured by the number of transactions rather than the proportion of revenue.
■ ***Source:*** Summarized by this survey.

According to the breakdown of overseas licensing by region in 2020, overseas licensing of domestic motion pictures was primarily on international OTT platforms, accounting for 25.00% of total foreign licensing, followed by Hong Kong and Southeast Asia, which accounted for 15.38% and 13.46%, respectively. The impact of the pandemic on the operation of physical movie theaters in various countries, as well as the cancelation and suspension of international exhibits, resulted in a shift in licensing focus from a single country to multi-national markets via international OTT platforms.

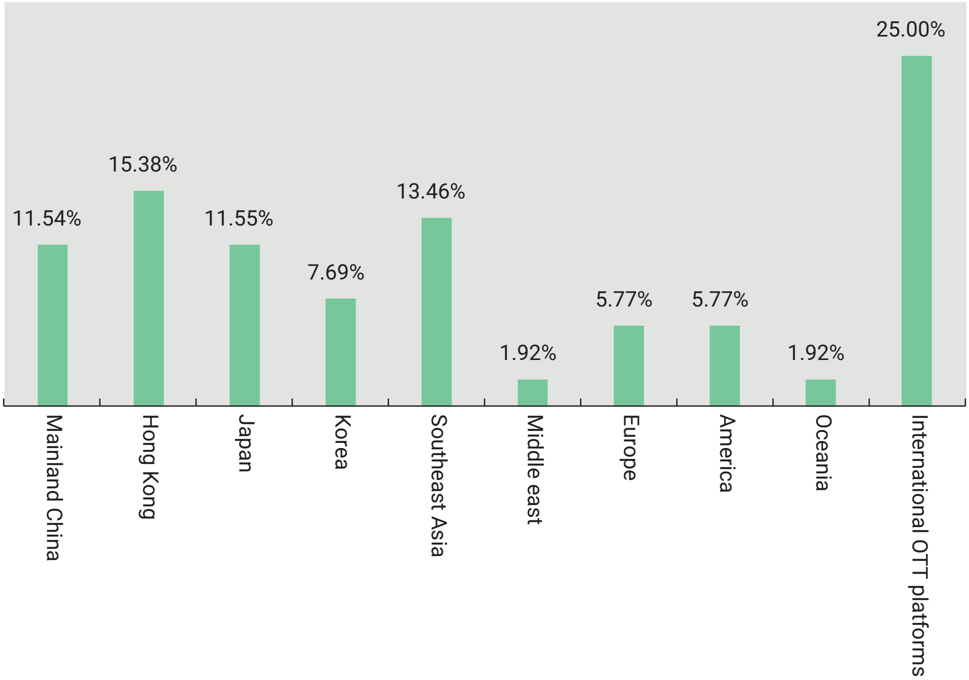


Figure 2-31. Distribution of overseas licensing for Taiwan's motion picture industry in 2020

■ ***Notes:*** The breakdown of overseas licensing was measured by the number of transactions rather than the proportion of revenue.
■ ***Source:*** Summarized by this survey.

2.3. IP licensing trends

In terms of Taiwanese drama and animated films in 2020, 21 motion pictures were based on non-original screenplays (accounting for 36.21% of the total number of motion pictures) that used literature, animation, true stories, and video games as prototypes for screenplay adaptation. Overall, the proportion of domestic motion pictures based on original screenplays has decreased in recent years, while the amount based on literary adaptations and real-life events has increased. For example, ***The Bridge Curse, The Silent Forest***, and ***Hospital,*** etc. were adapted from social events, whereas ***Do You Love Me as I Love You, A Choo, Be Alive Just Like You***, and ***Love Talk*** were literary adaptations.

Motion pictures are the end point of "IP translation." The scale of production, manpower, and budget required for motion pictures is high compared to other content formats. Therefore, there are less extended "IP translations" of motion picture content. Instead, many peripheral merchandises of motion picture content were created, such as original soundtracks, novels, calendars, and card sets.

As for the licensing of domestic motion pictures from 2020 to 2021, ***I WeirDo***, a 2021 film written and directed by Liao Ming-Yi, caught the attention of the technology and media industries for being the first feature film shot entirely on the iPhone. Furthermore, the film's distinct thematic style and visual tone led to licensing sales to Studio M, which intended to adapt it into the fourth installment of the studio's original Mandarin musical. Casting began in the latter half of 2021, with the formal performance set for 2022.[9]

In addition to domestic IP applications, the success of the 2018 box office performance of the remake of Korean film ***More Than Blue*** led to an increased inclination for Taiwanese firms to adapt foreign text materials. ***A Trip With Your Wife*** and ***Man in Love*** were two examples of films in 2021 that were adapted from Korean short films and motion pictures of the same name, in the hopes of increasing box office by utilizing relatively well-known storylines that had an existing fan base.

Table 2-12. Topics and IP extensions of Taiwan's drama and animated films in 2020

English title	Text before adaptation/Source of text	IP extensions/Derived products
Buoluomi	True story adaptation	Peripheral products (posters)
Your Love Song	Original screenplay	Peripheral products (original soundtracks)
The Bridge Curse	True story adaptation	Peripheral products (posters and essential oil sprays)
Acting Out Of Love	Original screenplay	Peripheral products (t-shirts)
Ohong Village	Original screenplay	Peripheral products (original soundtracks released on streaming platforms)
49 Days	Original screenplay	Novelizations
A Choo	Literary adaption from the novel ***A Choo***	Peripheral products (postcards, phone cases, towels, cards, and t-shirts)

[9] Refer to Studio M's official Facebook page: https://www.facebook.com/studiomtw/posts/3796921613664932/

English title	Text before adaptation/Source of text	IP extensions/Derived products
I WeirDo	Original screenplay	Peripheral products (original soundtracks released on streaming platforms, postcard sets, and posters) and the illustrated book ***I WeirDo: Behind the Scenes Documentary***
Girl's Revenge	Original screenplay	Peripheral products (posters)
Get The Hell Out	Original screenplay	Peripheral products (stickers, crystal soaps, and cards)
Do You Love Me As I Love You	Literary adaptation	Illustrated books, peripheral products (cards, original soundtracks released on streaming platforms, shopping bags, co-branded face masks and sparkling wines), and collaborations with Kebuke Tea Co. on Uber Eats
The Rope Curse 2	Original screenplay	Peripheral products (original soundtracks, T-shirts, face masks, and cards)
My Missing Valentine	Original screenplay	Peripheral products (original soundtracks)
Your Name Engraved Herein	Original screenplay	Peripheral products (original soundtracks and scores) and novels
The Moon is Always Full	"The Moon Represents My Heart" – a song by Teresa Teng	-
The Silent Forest	True story adaptation	Peripheral products (original soundtracks)
Dear Tenant	Original screenplay	Film stills books, Peripheral products (card sets)
Love Talk	Short stories – ***To The Year Gone By and The House Spirit***	Peripheral products (postcards and stickers)
Little Big Women	Short film – ***Little Big Women***	Peripheral products (original soundtracks)
Classmates Minus	Documentary – ***Bluffing***	-
Mickey on the Road	Original screenplay	Peripheral products (towels and clothes)
Be Alive Just Like You	Movie screenplay – ***The Sixth Day***	-

■ ***Notes:*** This section only presents an overview of IP translations and extensions of domestic motion pictures in 2020

■ ***Source:*** Summarized by this survey.

2.4. Industry observation indexes

2.4.1 Domestic motion picture production overview

The number of motion pictures released each year was used as a metric to monitor domestic motion picture production. In 2020, 71 domestic motion pictures were released, with 46 of them being released for the first time, which was 11 fewer than in 2019. This was attributable to the epidemic's effect on film scheduling and people's inclination to go to movie theaters.

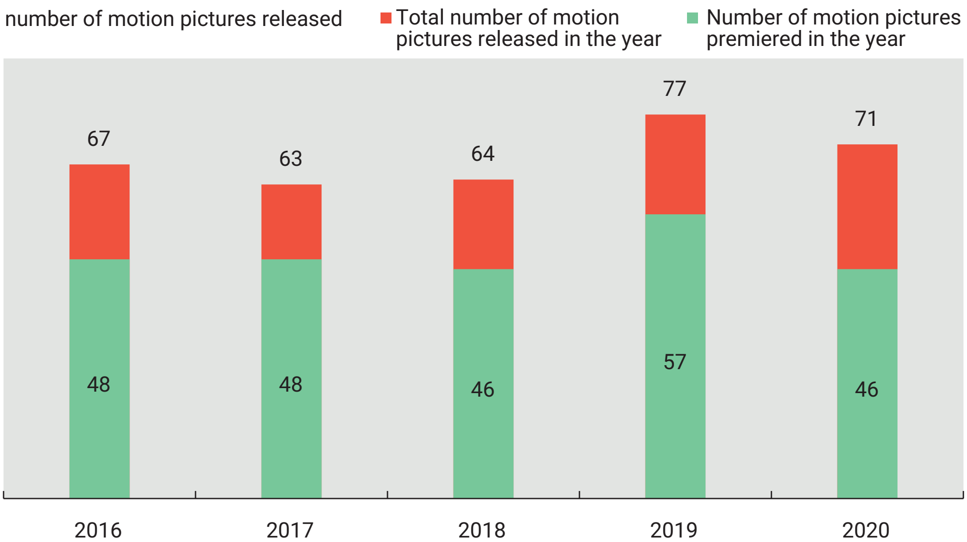


Figure 2-32. Domestic motion picture production overview from 2016 to 2020

■ ***Notes:***
1. Data on the number of domestic motion pictures distributed in 2017 and before was provided by the Motion Picture Association of Taipei; data on the number of domestic motion pictures distributed after 2017 was summarized from box office data provided by the Taiwan Film & Audiovisual Institute.
2. The total number of motion pictures released that year includes re-releases and motion pictures from festivals. A re-release refers to a motion picture that did not premiere that year but was re-released again.
■ ***Source:*** Summarized by this survey.

2.4.2. Domestic motion picture content – source of screenplays

In terms of the inspirations of screenplays for domestic drama and animated films that premiered in 2020, 23 were non-original screenplays (accounting for 50.0%) that used literature or true stories as prototypes for script adaptations. An observation could be made on the source of inspiration for domestic screenplays in recent years: the percentage of original screenplays has decreased, while the percentages of literary adaptations and true story adaptations have increased.

By careful examination of the origins of various adapted screenplays, the number of adaptations based on real incidents was relatively high (30.43%), with examples including ***The Bridge Curse, The Silent Forest***, and ***Hospital***, among others, which were adapted from social events. Literary adaptations accounted for 8.7% of the total, representing a significant rise over the previous year. Literary adaptations include ***Do You Love Me as I Love You***, ***A Choo, Be Alive Just Like You***, and ***Love Talk***, with the majority of their stories centered on romantic love.

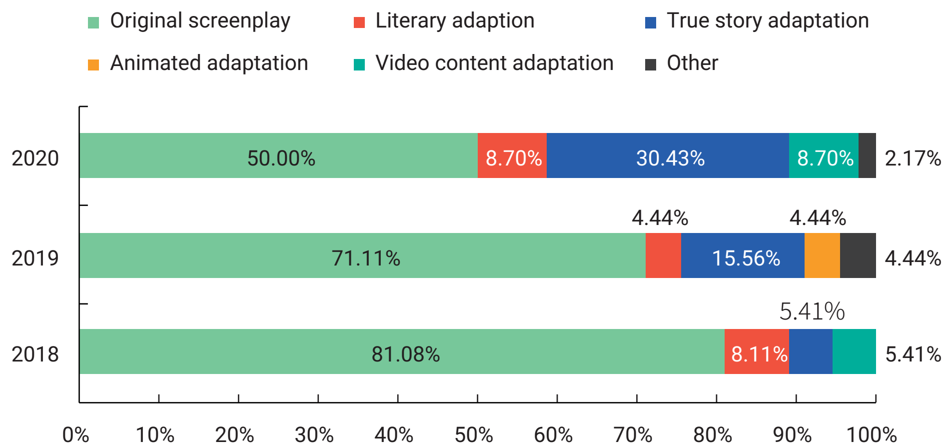


Figure 2-33. Source of inspiration for domestic motion picture screenplays from 2018 to 2020

■ ***Notes:*** Only data on screenplays of drama films and animated movies were collected.
■ ***Source:*** Inventoried by this survey. The data for 2021 came from public data on statistics of Taiwan cinema, provided by the BAMID and MOC.

2.4.3. Domestic motion picture content – genres

By observing the genres of domestic motion pictures through motion pictures premiered each year, we found that romance (28.06%) and family (22.35%) were the most recurrent genres in 2020. Examples of this observation include ***Little Big Women, Your Name Engraved Herein,*** and ***Do You Love Me As I Love You***, etc., which showed an increased emphasis on the theme of family. Furthermore, the proportion of mystery/thriller and comedy in domestic motion pictures has also increased in the last two years; ***The Bridge Curse*** and ***The Silent Forest*** are examples of mystery/thriller films.

In addition to the shift in genre elements, domestic motion pictures in 2020 were more thematically diverse. For example, ***Do You Love Me As I Love You*** was a campus love story; ***Little Big Women*** had a storyline that centered on family and women; ***Your Name Engraved Herein*** was a love story that focused on same-sex romance in the social setting of Taiwan in the 1980s.

The creative elements of domestic motion pictures have not changed much on the whole in recent years; they are still dominated by themes such as romance and family. However, in order to create more diversified content, creators are branching out into other genres by continually selecting different types of themes to work with.

Table 2-13. Genre breakdown of domestic motion pictures released from 2016 to 2020

Unit: %

Genres	2016	2017	2018	2019	2020
Action	4.41%	1.35%	4.17%	5.10%	2.85%
Adventure	2.94%	0.90%	0.00%	0.00%	0.00%
Biography	0.00%	0.00%	0.00%	0.00%	0.00%
Comedy	25.00%	14.86%	13.89%	9.18%	15.22%
Crime	1.47%	13.51%	6.94%	7.14%	5.71%
Family	8.82%	7.66%	15.28%	13.27%	22.35%
Fantasy/ Science fiction	2.94%	4.05%	8.33%	5.10%	1.57%
Mystery/ Thriller	7.35%	21.62%	12.50%	9.86%	17.12%
Horror	4.41%	2.25%	4.17%	0.68%	4.28%
Musical	2.94%	2.25%	2.78%	4.08%	0.00%
Romance	33.82%	29.28%	22.22%	25.51%	28.06%
War	2.94%	0.00%	0.00%	1.70%	0.00%
Historical	0.00%	0.00%	1.39%	0.00%	0.00%
Inspirational	2.94%	2.25%	8.33%	10.20%	0.00%
Other	-	-	-	8.18%	2.85%
Total	100%	100%	100%	100%	100%

■ ***Notes:***
1. These genres were summarized from Yahoo! Movies, AtMovies, and referenced genres of the British Film Institute (BFI). Each domestic motion picture was manually assessed by this survey and categorized under a maximum of three genres.
2. Only genres were calculated. The calculation was based on the weighted average of genres.
3. Only newly released domestic motion pictures over the years were calculated.

■ ***Source:*** Summarized by this survey.

2.4.4. Number of screens in domestic cinemas

The number of screens in Taiwan's movie theaters has increased year after year over the last five years. However, due to the pandemic in the first half of 2020, some independent cinemas ceased operations, resulting in a reduction in the number of screens in Taipei, New Taipei, Keelung, Yilan, Kaohsiung, and Pingtung. Nevertheless, as the outbreak subsided that year, movie theater chains continued to develop throughout Taiwan. SHIN KONG CINEMAS, for example, set up business in Taoyuan's Qingpu commercial district, while VIESHOW CINEMAS launched the new brand MUVIE CINEMAS. This helped aid the recovery of Taiwan's cinema screen count. The number of cinema screens in Taiwan reached 928 as of the end of December 2020, a rise of 13 over the previous year.

Because of the escalation of Taiwan's COVID-19 outbreak in 2021, many independent theaters suspended or ceased operations, resulting in a 1.4% drop in cinema screen count. The number of cinema screens in Taiwan was 915 as of the end of June 2021.

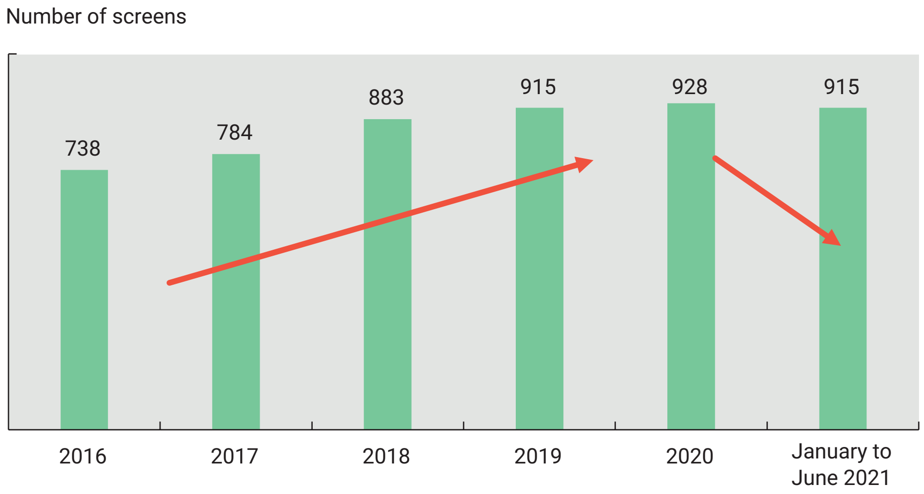


Figure 2-34. Number of screens in Taiwan's movie theaters

■ ***Source:*** Data provided by BAMID of the Ministry of Culture.

2.4.5. Proportion of domestic directors' debuts in drama films

The number of drama film debuts (including music videos, short films, and television series) by domestic director in the past five years was compiled through secondary data. In 2020, a total of 19 domestic motion pictures were directed by emerging directors, accounting for 54.29% of total motion pictures. Among them, Ben Chieh, who directed ***Do You Love Me As I Love You,*** used to direct television series and television films; the director of ***A Leg***, Chang Yao-sheng, was also a famous screenwriter in Taiwan.

Overall, new domestic directors have brought movies with a wide range of themes and narrative styles to the domestic movie industry in recent years, which have led to box office success for films like ***Little Big Women, The Silent Forest***, and ***I WeirDo***.

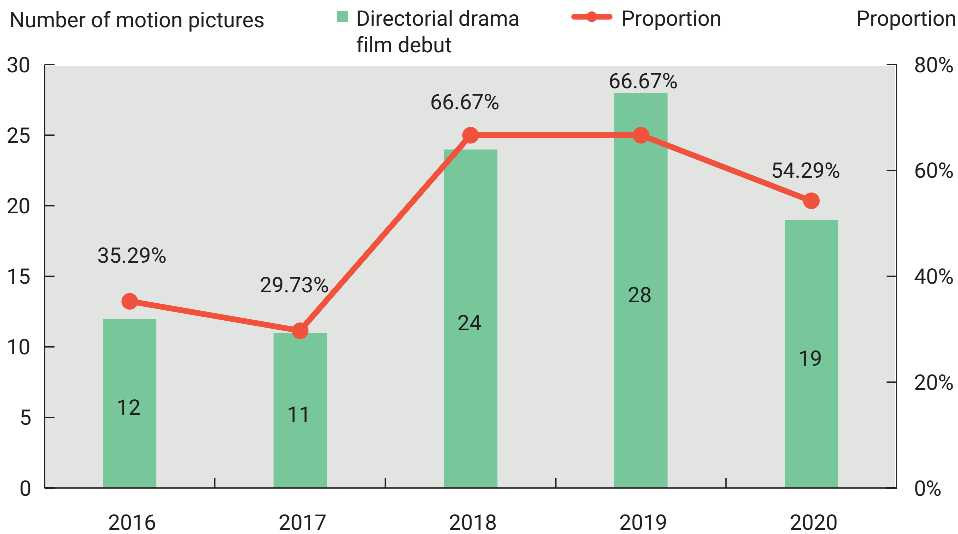


Figure 2-35. Proportion of domestic directorial debuts in drama films from 2016 to 2020

■ ***Notes:*** The proportion of directorial debuts in drama feature films = directorial debuts of the year / total number of drama feature films of the year.
■ ***Source:*** Inventoried and summarized by this survey.

2.4.6. Domestic motion picture market analysis – distribution overview

The trend of increased distribution of films in Taiwan's motion picture market has been observed in recent years. Following the new record of more than 800 films distributed in 2018, a new record of 960 films distributed in 2020 was achieved, which was more than the number of films released annually in North America, the United Kingdom, and France. Due to the pandemic's escalation in Taiwan in 2021, Taipei and New Taipei were placed on level 3 alert on May 15th, prompting movie theaters in both cities to close. The entire country was placed on level 3 alert on May 19th, forcing all theaters on the island to close and reducing the amount of motion picture distribution. Only 374 movie pictures were released as of the end of June 2021, which was much less than the previous year's total.

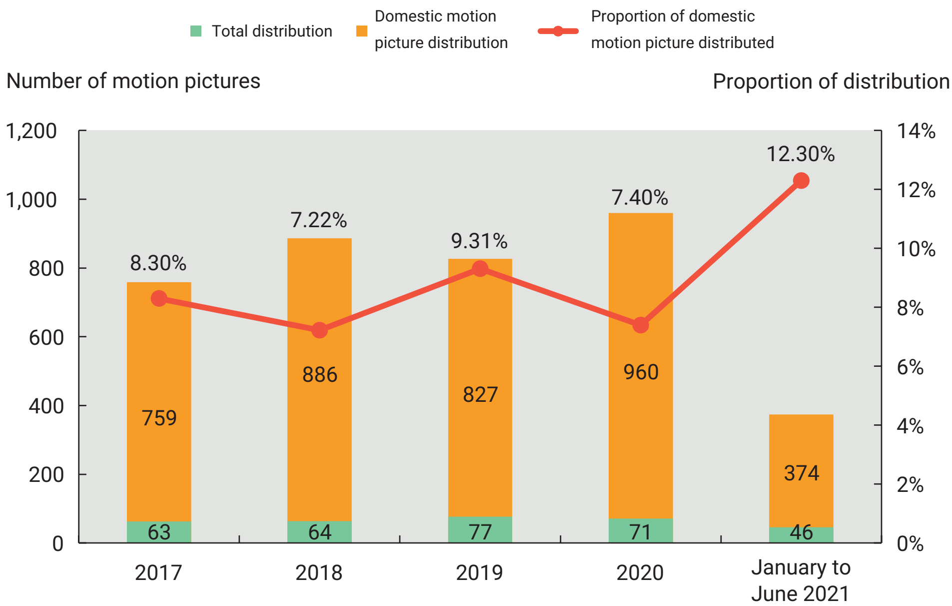


Figure 2-36. Number of motion pictures distributed in Taiwan's motion picture market from 2017 to June 2020

■ ***Source:*** Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act. The figures from January to June 2021 were quoted from the 2020 motion picture statistics announced by the BAMID.

In terms of the source countries of films distributed in the motion picture market in Taiwan, other regions in Asia still had the highest number of movies distribution (accounting for 35.63%), followed by the Americas (accounting for 28.23%). As for domestic motion pictures, a total of 71 films were released in 2020, which accounted for 7.40% of the total and a modest decline of 6 films from the previous year.

Furthermore, due to the pandemic's impact in 2020, many domestic and foreign motion pictures scheduled to air were canceled. This prompted several domestic businesses to re-screen classic motion pictures, such as ***The Last Emperor*** (digitally restored edition), ***The Dark Knight***, and ***A Brighter Summer Day***, etc., in the hope of maintaining basic operations during a period when new motion pictures were scarce. As a result of this strategy, the percentage of films rescreened and released during the new year reached 36.46%.

On the whole, since the number of Asian movies released in Taiwan topped that of American movies for the first time in 2019, the gap in the number of films released has grown. For the Japanese movies, animated films had the most significant growth rate, while the Korean movies released were mainly drama films. The release schedules of some American movies were affected by the pandemic, resulting in a drop in the number of films released compared to the previous year.

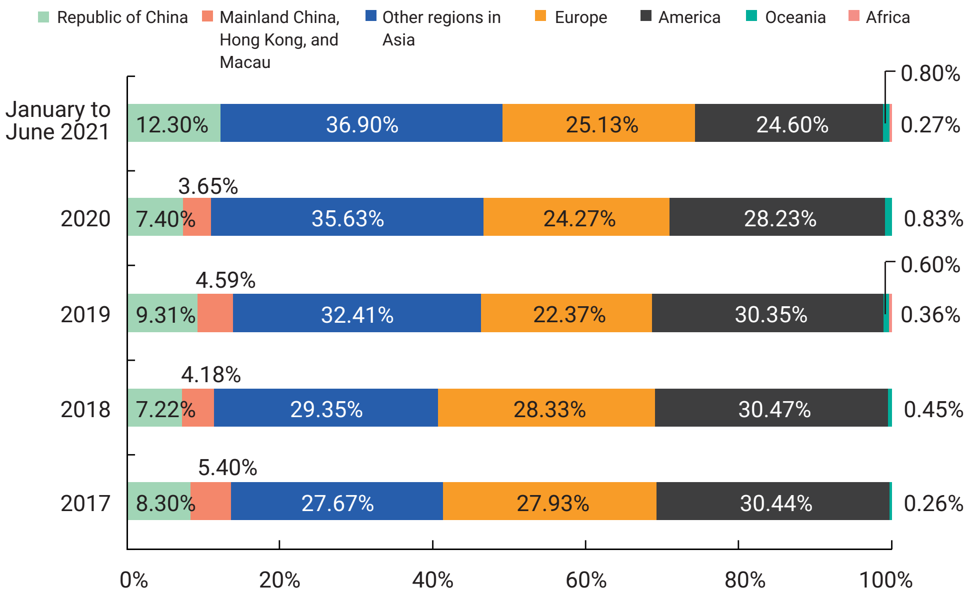


Figure 2-37. Percentage of source region for motion pictures released in Taiwan from 2017 to June 2021

■ ***Notes:*** The data for Mainland China, Hong Kong, and Macau was not made available to the public in 2021, so these regions were included in the “other regions in Asia.”

■ ***Source:*** Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act. The figures from January to June 2021 were quoted from the 2020 motion picture statistics announced by the BAMID.

2.4.7. Domestic motion picture distribution – domestic distributor market share

According to the quantity of motion pictures released by distributors, the top ten distributors in recent years were dominated by local distributors. GaragePlay has ranked first in distribution for four consecutive years, with a market share accounting for more than 10% of the overall distribution. For the first time in 2020, their market share exceeded 20%.

Table 2-14. Market share of domestic motion picture distributors from 2017 to 2020

Unit: %

Rank	2017		2018		2019		2020	
	Distributor	Market share	Distributor	Market share	Distributor	Market share	Distributor	Market share
1	GaragePlay	10.80%	GaragePlay	12.53%	GaragePlay	12.20%	GaragePlay	21.25%
2	iFilm	8.43%	AfterDark	7.45%	AfterDark	5.68%	Sky Digi Entertainment	6.67%
3	Cola Films	4.61%	iFilm	4.63%	CaiChang	4.83%	CaiChang	4.90%
4	Sky Digi Entertainment	4.48%	CaiChang	4.51%	VIESHOW CINEMAS	4.11%	Swallow Wings	3.54%
5	CatchPlay	4.08%	Applause	4.18%	Sky Digi Entertainment	3.99%	CatchPlay	3.33%
6	CaiChang	3.95%	Sky Digi Entertainment	3.84%	Swallow Wings	3.62%	Applause	3.33%
7	Joint Entertainment	3.69%	CatchPlay	3.84%	Warner Bros.	3.50%	Warner Bros.	3.23%
8	Swallow Wings	3.69%	Swallow Wings	3.27%	CatchPlay	3.26%	VIESHOW CINEMAS	3.13%
9	AfterDark	3.43%	Cola Films	2.82%	Universal Studios	3.14%	Skyfilms	2.60%
10	Applause	3.29%	Joint Entertainment	2.82%	Skyfilms	2.90%	Deepjoy Picture	2.50%

■ ***Source:*** Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

From the perspective of box office market share, Hollywood studios continued to outperform their colleagues in the motion picture distribution industry in Taiwan. However, in the face of the COVID-19 epidemic in 2020, many Hollywood blockbusters were postponed or canceled, impacting Hollywood movie companies' box office market share. Based on 2020 alone, Hollywood movie studios' box office market share was only 30.89%, a substantial decrease from previous years. Furthermore, the postponed release or cancelation of Hollywood blockbusters resulted in a lower distribution concentration of box office performance for motion picture distributors than in the past.

A closer inspection of the box office performance of domestic distributors in 2020 revealed that GaragePlay had a box office share of 15.34% and ranked first in market share due to the successes of Korean motion pictures ***Train to Busan Presents: Peninsula*** and ***Ashfall***. Warner Bros. ranked second with a 12.23% box office market share due to the stellar box office performances of ***Tenet, Wonder Woman 1984,*** and ***Birds of Prey (and the Fantabulous Emancipation of One Harley Quinn)***. At the box office, Muse Communications ranked third with a market share of 12.03%, primarily due to the popular Japanese animation ***Demon Slayer the Movie: Mugen Train,*** which was the box office champion of the year.

Table 2-15. Box office market share of domestic motion picture distributors from 2017 to 2020

Unit: %

Rank	2017		2018		2019		2020	
	Distributor	Market share	Distributor	Market share	Distributor	Market share	Distributor	Market share
1	Universal Studios	16.66%	Warner Bros.	19.61%	Walt Disney	29.24%	GaragePlay	15.34%
2	Warner Bros.	15.22%	Walt Disney	16.39%	Warner Bros.	16.06%	Warner Bros.	12.23%
3	Walt Disney	12.63%	Universal Studios	13.55%	Universal Studios	9.88%	Muse Communications	12.03%
4	Fox	11.20%	Twentieth Century Fox	10.73%	Sony Pictures	6.85%	Sony Pictures	9.89%
5	Buena Vista	8.25%	CaiChang	8.89%	GaragePlay	4.83%	Vie Vision	6.75%
6	Paramount	6.11%	Buena Vista	6.51%	Twentieth Century Fox	4.25%	Universal Studios	4.76%
7	CatchPlay	4.96%	Paramount	6.28%	CatchPlay	3.93%	Walt Disney	4.00%
8	Vie Vision	4.02%	GaragePlay	2.15%	Deepjoy Picture	3.06%	Skyfilms	3.66%
9	GaragePlay	3.56%	Vie Vision	1.92%	Paramount	3.00%	CatchPlay	3.53%
10	Applause	2.75%	CatchPlay	1.76%	Vie Vision	2.87%	Applause	3.32%
Other		14.64%	Other	12.21%	Other	16.03%	Other	24.48%
Total		100%	Total	100%	Total	100%	Total	100%

■ ***Source:*** Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

2.4.8. Domestic motion picture market analysis – box office overview

According to the box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act, the total box office in Taiwan was approximately NT$5.159 billion in 2020, a decrease of 49.37% over the previous year. The box office for domestic motion pictures was NT$877 million, accounting for 17.02% of the box office market, a substantial 24.93% rise over last year.

As for the box office performance of motion pictures from various continents, American motion pictures had the highest box office, totaling NT$2.21 billion and accounting for 42.83% of the total. However, due to the postponement and cancelation of several Hollywood blockbusters, the box office suffered a 72.1% drop compared to last year.

Driven by the Japanese animated film ***Demon Slayer the Movie: Mugen Train*** and the Korean motion picture ***Train to Busan Presents: Peninsula***, the box office of motion pictures from other regions of Asia reached NT$1.795 billion (accounting for 34.8% of the total) in 2020, a 50.15% growth compared to last year.

Table 2-16. Overview of the total box office in Taiwan from 2017 to 2020

Unit: NTD, persons, %

Item		Box office (NTD)	Number of viewers	Box office percentage
2017	Taiwan (R.O.C.)	728,849,536	3,223,913	6.90%
	Mainland China, Hong Kong, and Macau	225,370,026	1,007,142	2.13%
	Other regions in Asia	1,156,690,420	4,999,706	10.94%
	Europe	450,279,110	2,016,677	4.26%
	America	7,997,993,423	34,131,911	75.67%
	Oceania	10,058,011	45,634	0.10%
Total		10,569,240,526	45,424,983	100%
2018	Taiwan (R.O.C.)	810,291,142	3,599,748	7.52%
	Mainland China, Hong Kong, and Macau	188,307,111	842,710	1.75%
	Other regions in Asia	1,496,154,212	6,413,972	13.88%
	Europe	226,691,959	1,010,082	2.10%
	America	8,058,709,395	34,363,349	74.75%
	Oceania	750,504	4,464	0.01%
Total		10,780,904,323	46,234,325	100%
2019	Taiwan (R.O.C.)	702,765,192	3,016,371	6.90%
	Mainland China, Hong Kong, and Macau	254,187,842	1,130,280	2.49%
	Other regions in Asia	1,195,608,384	5,078,787	11.73%
	Europe	111,742,913	506,347	1.10%
	America	7,919,502,600	33,432,317	77.71%
	Oceania	6,659,726	31,685	0.07%
	Africa	648,340	3,076	0.01%
Total		10,191,114,997	43,198,863	100%

Item		Box office (NTD)	Number of viewers	Box office percentage
2020	Taiwan (R.O.C.)	877,978,481	3,815,203	17.02%
	Mainland China, Hong Kong, and Macau	103,708,698	455,424	2.01%
	Other regions in Asia	1,795,237,536	7,463,984	34.80%
	Europe	166,888,993	757,535	3.23%
	America	2,209,622,849	9,308,830	42.83%
	Oceania	5,876,388	28,594	0.11%
Total		5,159,312,945	21,829,570	100%

■ ***Notes:*** The number of motion pictures distributed comprises those screened in the current year, across years, and re-releases; festival films were excluded.

■ ***Source:*** Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

2.4.9. Domestic motion picture average views

Taiwanese citizens watched an average of 0.93 motion pictures per year in 2020, which was significantly lower than in previous years. This was primarily due to the postponement and cancellation of major Hollywood blockbusters, as well as a decreased desire to go to movie theaters as a result of the pandemic.

In terms of motion pictures from various regions, the average number of domestic motion pictures watched annually per person was 0.16, a four-year high. In recent years, the average number of views per person for films from other Asian regions reached a record high of 0.32. In comparison, the average number of views for films from other regions declined, with the average number of views per person for American films being 0.4, the first time in recent years to be less than 1.

Table 2-17. Average views of motion pictures in Taiwan from 2017 to 2020

Unit: views of motion picture

	Taiwan (R.O.C.)	Mainland China, Hong Kong, and Macau	Other regions in Asia	Europe	America	Oceania	Africa	Overall
2017	0.14	0.04	0.21	0.09	1.45	0	-	1.93
2018	0.15	0.04	0.27	0.04	1.46	0	-	1.96
2019	0.13	0.05	0.22	0.02	1.42	0	0	1.83
2020	0.16	0.02	0.32	0.03	0.40	0	-	0.93

■ ***Notes:*** The population in 2020 was 23,561,236 (source: population statistics by the Ministry of the Interior).

■ ***Source:*** Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

2.4.10. Taiwan's Top 10 highest-grossing motion pictures in 2020

In 2020, the majority of the top 10 box office motion pictures in Taiwan were still American films, but the top two were Asian films. With a total of NT$586 million, the Japanese animation ***Demon Slayer the Movie: Mugen Train*** came in first place. With a box office of approximately NT$356 million, the Korean film ***Train to Busan Presents: Peninsula*** came in second place. Furthermore, two domestic motion pictures, ***Little Big Women*** and ***Your Name Engraved Herein***, surpassed $100 million at the box office and joined the top ten highest-grossing films.

Table 2-18. Top 10 highest-grossing motion pictures in Taiwan in 2020

Unit: persons (number of views), NTD

Country	English Title	Number of views	Box office (NTD)	Release date
Japan	Demon Slayer the Movie: Mugen Train	2,445,610	586,248,303	2020/10/30
Korea	Train to Busan Presents: Peninsula	1,434,527	356,348,484	2020/07/15
United States	TENET	1,384,131	349,483,344	2020/08/27
United States	Wonder Woman 1984	799,477	202,933,358	2020/12/17
Taiwan (R.O.C.)	Little Big Women	805,293	186,232,258	2020/11/06
United States	Bad Boys for Life	574,657	136,881,045	2020/01/16
United States	Birds of Prey (and the Fantabulous Emancipation of One Harley Quinn)	472,279	112,521,772	2020/02/06
Taiwan (R.O.C.)	Your Name Engraved Herein	439,231	103,171,370	2020/09/30
United States	Monster Hunter	404,207	96,257,898	2020/12/04
United States	Greenland	366,897	87,611,727	2020/08/12

■ ***Source:*** Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

In 2020, two domestic movie pictures grossed more than NT$100 million at the box office. ***Little Big Women***, the highest-grossing picture, was adapted from the eponymous short film directed by Joseph Chen-Chieh Hsu; ***Your Name Engraved Herein***, the second highest-grossing film, gained widespread acclaim for its theme of young adult same-sex romance. Furthermore, the box office for both ***Do You Love Me As I Love You*** (a teenage campus love story) and ***The Rope Curse 2*** (a horror thriller) surpassed NT$70 million.

Overall, the top 10 domestic motion pictures at the box office in 2020 spanned a wide variety of genres. Along with the already popular romance films, genres such as family, horror, and mystery/thriller were gradually gaining domestic consumers' attention.

Table 2-19. Top 10 highest-grossing domestic motion pictures in 2020

Unit: persons (number of views), NTD

English Title	Number of views	Box office (NTD)	Release date
Little Big Women	805,293	186,232,258	2020/11/06
Your Name Engraved Herein	439,231	103,171,370	2020/09/30
Do You Love Me As I Love You	341,713	79,204,159	2020/08/21
The Rope Curse 2	319,042	72,143,225	2020/09/02
The Bridge Curse	253,481	58,119,430	2020/02/27
The Silent Forest	209,779	49,898,035	2020/10/15
A Choo	204,914	47,074,458	2020/07/14
I WeirDo	195,315	45,118,961	2020/08/05
Classmates Minus	189,305	44,187,152	2020/11/20
Dear Tenant	161,188	38,305,080	2020/10/23

■ ***Source:*** Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

3 Animation Industry

3.1. Industry overview

3.1.1 Number of companies in the domestic animation industry

A total of 106 production companies were involved in the animation industry in 2020. Out of these, 28 animation production companies/studios focused on producing animated content as their main business operation, followed by 25 companies that primarily dealt with animation special effects. There were 19 companies that engaged in both animation production and animation OEM, accounting for 17.92% of all companies.

Overall, the development of domestic animation businesses was polarized due to extreme differences in capital scale. On top of animation production, most animation production companies engage in multiple commercial operations, such as local and overseas animation OEM and animation special effects. To keep their businesses afloat, animation OEM companies also performed special effects production for feature movies, advertisements, and animations.

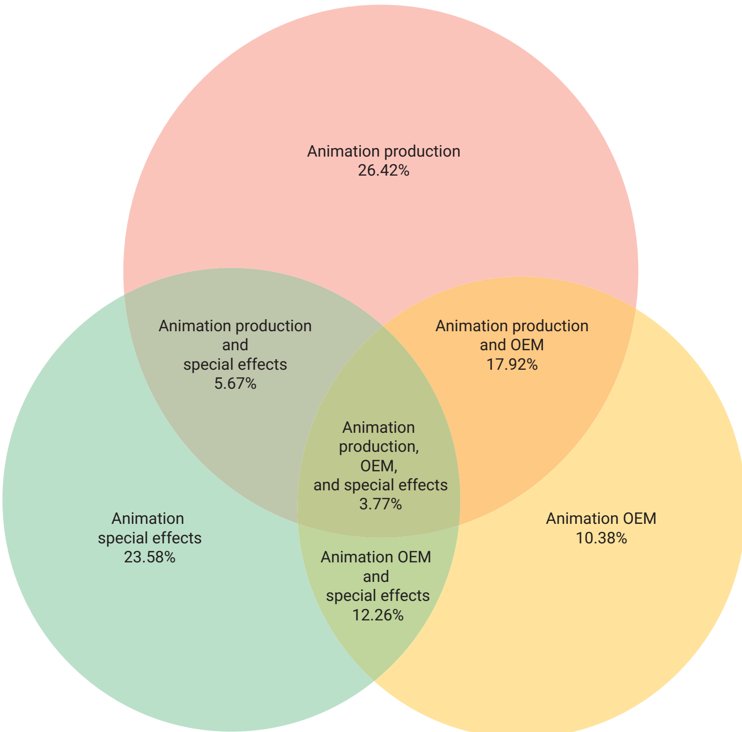


Figure 2-38. Companies in Taiwan's animation industry in 2020

■ ***Source:*** Summarized by this survey.

3.1.2. Average capital scale of the domestic animation industry

According to data from the Ministry of Economic Affairs business registration, most domestic animation companies had a capital of less than NT$5 million, accounting for 47.17% of the total. Among them, the percentage of companies with a capital of less than one million did not exceed 10%, which were mostly animation production and animation OEM production houses.

Furthermore, approximately 11.32% of the enterprises had more than NT $100 million in capital, including CGCG, Bossdom Digiinnovation, and The White Rabbit Entertainment, all of which are involved in animation OEM and animation special effects.

Table 2-20. Breakdown of Taiwan's animation industry in 2020 by capital scale

Unit: %

Item	Number of companies	Percentage
< NT$100,000	0	0.00%
≥ NT$100,000 < NT$500,000	4	3.77%
≥ NT$500,000 < NT$1 million	3	2.83%
≥ NT$1 million < NT$5 million	43	40.57%
≥ NT$5 million < NT$10 million	14	13.21%
≥ NT$10 million < NT$50 million	25	23.58%
≥ NT$50 million < NT$100 million	5	4.72%
≥ NT$100 million < NT$500 million	11	10.38%
≥ NT$500 million < NT$1 billion	1	0.94%
≥ NT$1 billion	-	0.00%
Total	106	100%

■ ***Source:*** The Ministry of Economic Affairs business registration.

3.1.3. Number of employees in the domestic animation industry

The domestic animation industry had an average of 13.73 employees per company in 2020. For the subindustries, the animation production industry had an average of 9.2 full-time employees per company; the animation special effects industry had an average of 11.25, and the animation OEM industry had 25.3. An estimated total of 2,148 professionals were engaged in the domestic animation industry in 2020. There were more male employees (accounting for 52.14% of the total) in terms of the gender ratio in the industry, and 57.71% of the managerial positions were held by men.

Domestic animators had lengthier production periods, with many individuals holding various roles; as a result, usage and scale of manpower for animation production varied greatly. The personnel and production timelines of original animations diverge substantially from the rigorous commercial deadlines of animation OEM firms. Therefore, the emphasis of this chapter will be on the analysis of production capacity in Taiwan's original animation sector.

This survey utilized data from the cast lists of Taiwan's original animated series and animated feature films in the past five years in order to determine the total manpower of various positions (this study only calculated the number of individuals participating based on the number of names; therefore, the working hours of a single individual could not be measured). From 2016 to 2020, the average manpower for animated feature films was 146.71 individuals, while the total average manpower for an animated series was 54.39 individuals. Overall manpower declined slightly compared to the previous year, and due to the growing disparity in the production scale of each project, manpower utilized for animated content polarized.

Table 2-21. Average production manpower of domestic original animations from 2016 to 2020

Unit: Number of people

Category	Average (excluding extreme values)	Maximum	Minimum
Animated series	54.38	191	8
Animated feature films	146.71	218	57

■ ***Notes:*** The "animated feature films" in this survey included puppet animations and animated motion pictures played during test screenings that were 60 minutes or longer per episode.
■ ***Source:*** Summarized by this survey from the cast lists of Taiwanese animated series and animated feature films.

Staff allocation of production teams for domestic animations in the last five years was divided into production and post-production based on relevance and importance of roles (such as storyboard artists, editors, and special effects personnel) in order to compare the percentages of staff allocation.

Manpower for animated series was composed primarily of animation production staff and artists, which averaged 9.86 and 9.82 per animation, accounting for 14% each. Animated feature films require individuals mainly for animation production (accounting for 13.00%), art (accounting for 10.58%), dubbing (accounting for 9.17%), and post-production (accounting for 8.20%). The percentages of producers and personnel for post-production and marketing for animated feature films were higher than for animated series, demonstrating that the production process differs between the two genres of animation.

Table 2-22. Average manpower allocations for domestic original animations from 2016 to 2020

Unit: Number of people, %

	Animated series		Animated feature films	
	Average number of people	Ratio	Average number of people	Ratio
Director	1.62	2.26%	3.14	1.65%
Producer	2.90	4.05%	12.17	6.44%
Filming/ Composition	-	-	5.33	2.82%
Lighting	5.00	6.98%	15.00	7.94%
Sound effects	2.22	3.10%	7.17	3.79%
Special effects	1.91	2.67%	7.25	3.84%
Modeler	6.00	8.38%	14.67	7.76%
Art	9.82	13.72%	20.00	10.58%
Screenwriter	3.47	4.85%	2.83	1.50%
Editor	1.56	2.18%	2.40	1.27%
Storyboard artist	2.33	3.26%	5.14	2.72%
Animation production	9.86	13.77%	24.57	13.00%
Post-production	3.87	5.40%	15.50	8.20%
Marketing	1.80	2.51%	10.00	5.29%
Preparation	3.57	4.99%	8.75	4.63%
Dubbing (voice-over)	6.61	9.23%	17.33	9.17%
Administrative staff	4.60	6.42%	10.50	5.56%
Film score	4.45	6.22%	7.25	3.84%

■ ***Notes:*** The number of animated series and animated feature films produced in Taiwan each year is small, so the average number of staff is derived from projects from 2016 to 2020.
■ ***Source:*** Summarized by this survey from the cast lists of animated series and animated feature films.

3.2. Revenue and business model

3.2.1. Revenue structure of the year — revenue items

In 2020, domestic animation production companies had the highest proportion of their revenue from animation content production, accounting for approximately 22.96% of their total revenue, followed by television program and series content production (accounting for 17.44%). Other content production and content post-production special effects revenues accounted for 8.88% and 8.2%, respectively, of the total revenue generated.

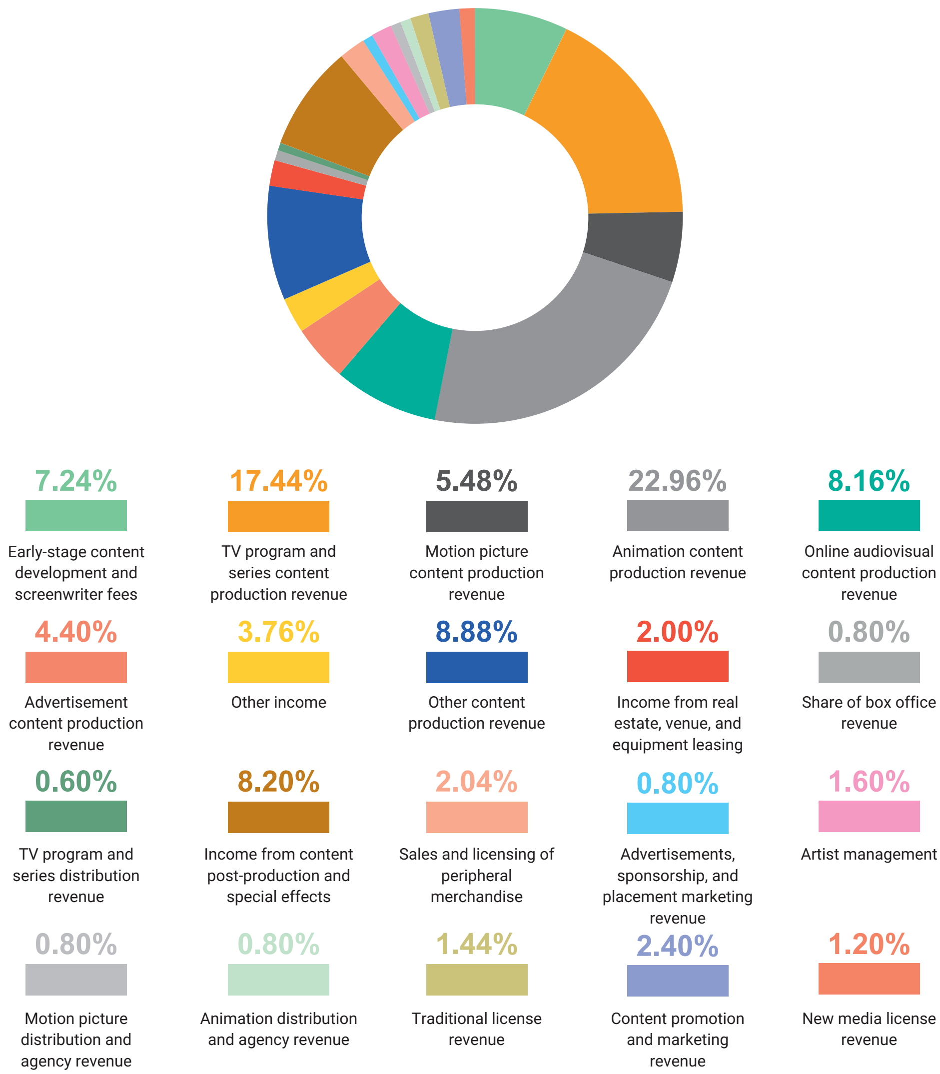


Figure 2-39. Revenue structure of Taiwan's animation industry in 2020

■ ***Source:*** Summarized by this survey.

With regard to the revenue structure of the animation OEM and special effects businesses, the primary sources of income were content post-production special effects and animated content OEM, accounting for a total of more than 80% of the revenue. Moreover, interviews with domestic industry experts highlighted that the rising demand for visual animation and special effects for technological art and online exhibitions enabled companies to undertake additional businesses, diversifying their revenue streams.

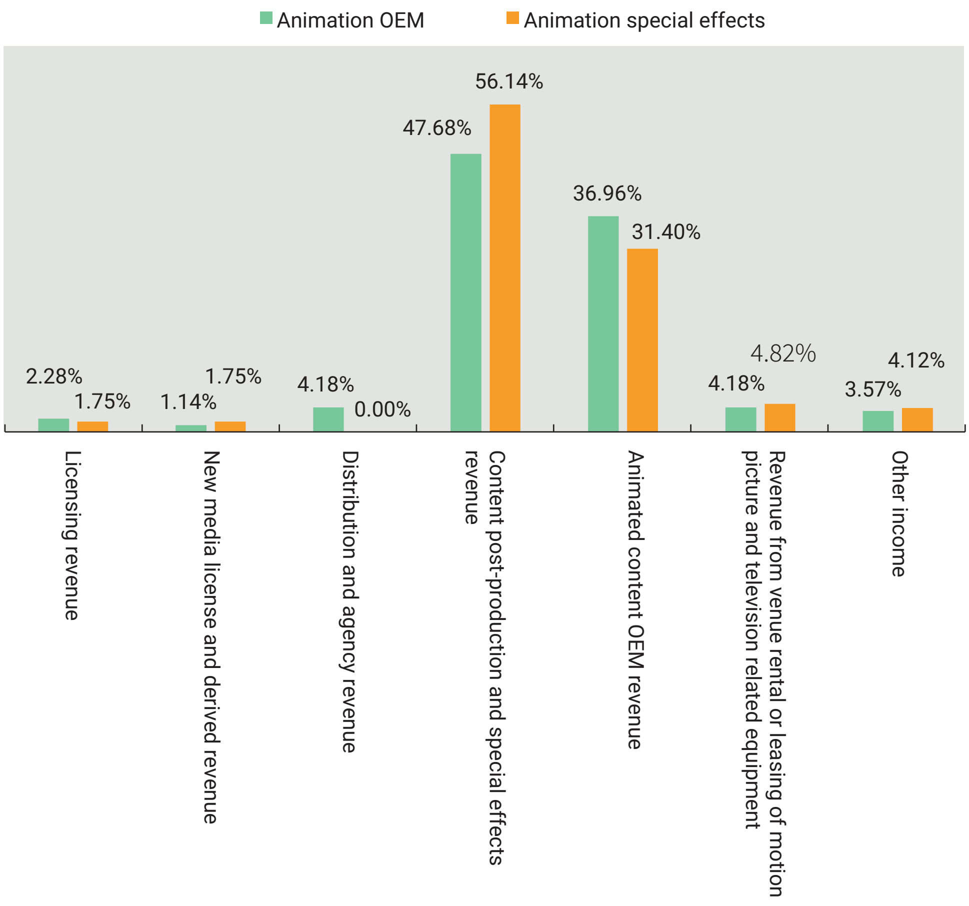


Figure 2-40. Revenue breakdown of Taiwan's animation OEM and special effects industry in 2020

■ ***Notes:*** Licensing revenue included TV, DVD, and in-flight entertainment, but excluded digital new media.
■ ***Source:*** Summarized by this survey.

3.2.2. Regions and overview of overseas revenue

Mainland China accounted for the highest percentage of overseas revenue generated by the domestic animation industry, with animation OEMs generating the most of this revenue, at 30.43%. Furthermore, a marginal increase in revenue made from both Europe and the United States over previous years could be observed.

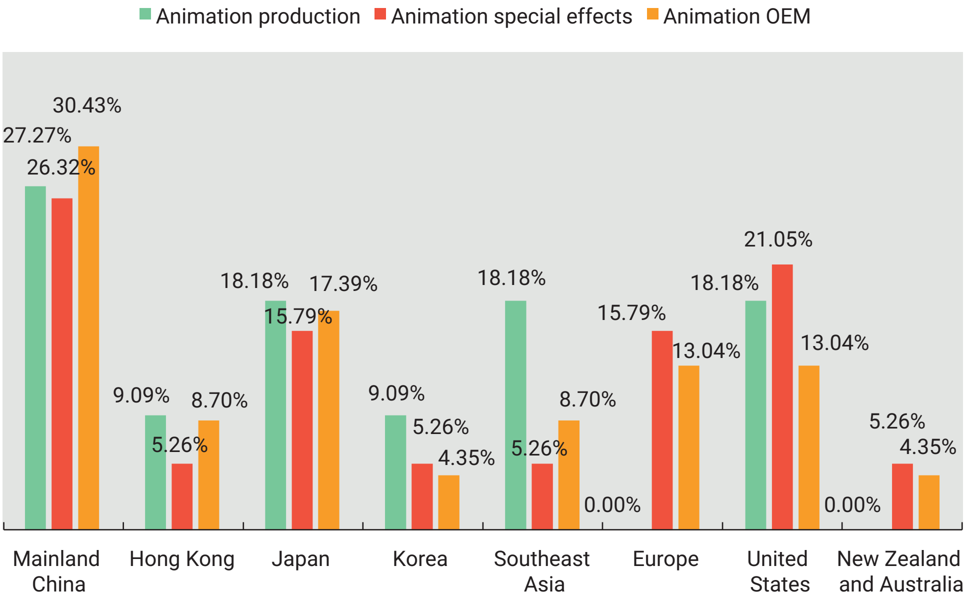


Figure 2-41. Regions of overseas revenue generated by Taiwan's animation industry in 2020

■ ***Source:*** Summarized by this survey.

3.2.3. Industry business trends

With regard to the rising trend of cross-industry collaborations, approximately 68.63% of companies in Taiwan's animation industry engaged in cross-industry businesses, according to this year's survey. This was especially evident in upstream and downstream expansions. Moreover, the survey's interviews revealed that the increased application of digital technology in various fields (such as the utilization of animation special effects in both technological art and exhibitions) enabled some animators to undertake businesses in multiple fields, resulting in additional sources of income.

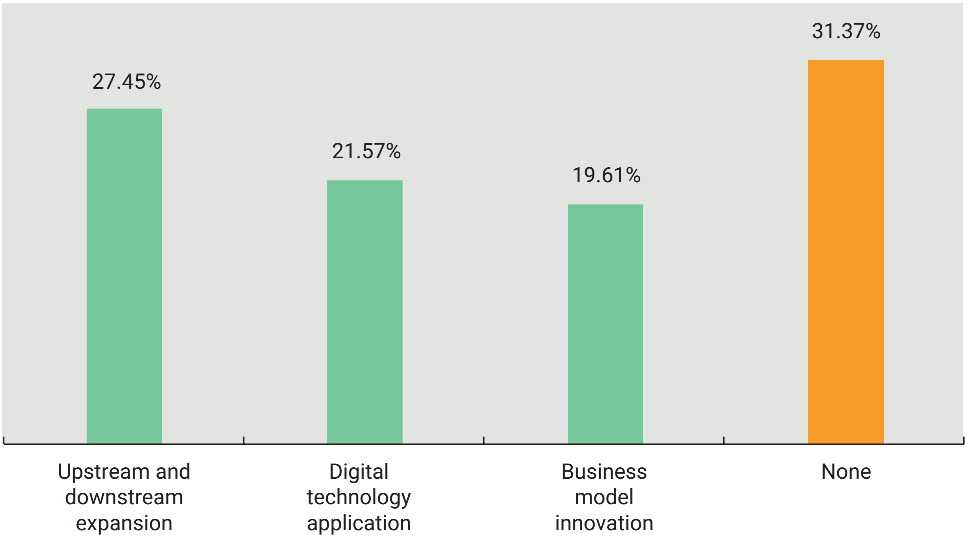


Figure 2-42. Trend of cross-industry collaboration of Taiwan's animation industry in 2020

■ ***Source:*** Summarized by this survey.

3.3. IP licensing trends

Character licensing currently accounts for the majority of extended applications of Taiwanese animation, such as stationery, toys, and other commodities, with children as the main target group. These typically necessitate licensing in the form of images. Adaptations in the form of television shows, films, and games, among others, require a higher level of completeness and maturity in the content's story and characters, resulting in a higher level of adapting difficulty.

As for the sources of screenplay and themes for Taiwan's animated series, animated feature films, and animated shorts in 2020, the majority of them were popular science shows supplemented by the Ministry of Education or the Ministry of Science and Technology. Most of these animations had original screenplays; only My Little Boys was a literary adaptation. As for examples of "IP translations" and extensions, many animations launch their own peripheral merchandise such as comics, illustrated books, etc.

Table 2-23. Topics and IP extensions of Taiwan's animations in 2020

Title	Text before adaptation/ Source of text	IP extensions	Character
A Journey of Drug Discovery – Fighting Alzheimer's Disease	Original screenplay	Illustrated books	A-Fa, Momo, Andy, and parrot
Yameme – Formosa	Original screenplay	Comics	Yameme and Demio
A Quest for Sound	Original screenplay	-	A-Chen, A-Fei, A-Qiang, and Rose
Go Go Giwas Season 3	Original screenplay	DVDs, comics books, and an app for the illustrated book	Giwas, Muni, and Maimai
Lab Lab Cab Cab season 1	Original screenplay	-	Iu Tu Bag, Sam Sam, Fug Coi Lin, A Li Ze, A-Bu, Sii E, Fa Fa, Fi Fi, A Ien Gu, and Gim Gid Gid
My Little Boys season 3 Joyfulness	Original screenplay	Plays, musicals, illustrated books, comics	Daddy Lo, A-Nee-Gu, A-Pai, Mommy, Donny, Cockroach, Da-Tou, and Granny

■ ***Notes:***
1. Since there were no new animated motion pictures released in 2020, only IP translations of animated series were shown.
2. IP extensions of certain animated series were based on the whole series instead of single seasons.
■ ***Source:*** Summarized by this survey.

3.4. Industry observation indexes

3.4.1. Domestic animation production overview

Animated shorts accounted for the highest proportion of animations produced in Taiwan from 2016 to 2020, accounting for 2,914 short animations (with content lengths of less than 5 minutes) produced in the last five years. The capacity for producing animated series has remained stable, with an average of 4 to 6 series produced per year. For some of the series, content for multiple seasons has already been produced. The number of animated feature films produced in the last five years was only eight, owing to the need for more manpower, more capital, and longer production times.

Overall, the Taiwanese animation industry was brimming with energy for the creation of short animations, including student films and animation drawn from original domestic imagery. Among them, the cost and technology of animation produced from domestic original images did not necessitate a systematic procedure to make (such as employing storyboards, scripting, sound effects, and dubbing, etc.), resulting in a high number of projects each year. The specifications for animated series and animated feature films were more stringent, necessitating lengthier production durations. Aside from creative capacities, business operating capabilities were also essential, limiting the number of long-animated productions[10] each year.

Table 2-24. Quantity and length of domestic animations from 2016 to 2020

Unit: Quantity, minutes, total minutes/total quantity

Item		2016	2017	2018	2019	2020	Total	Average length
Animated series	Quantity	6	4	4	6	6	26	98.31
	Length	342	727	549	553	385	2,556	
Animated feature films	Quantity	0	3	2	3	0	8	86.50
	Length	-	243	175	274	-	692	
5-to-60-minute animations	Quantity	180	396	145	246	250	1,217	7.87
	Length	1,306	3,734	727	1,816	1,995	9,578	
Animated shorts	Quantity	527	548	351	1,046	442	2,914	1.70
	Length	647	837	611	1,607	1246	4,948	

■ ***Notes:***
1. The "5-to-60-minute animations" in this survey refer to animations shorter than 60 minutes per episode, including puppet animations, animated motion pictures played during test screenings, and online animations. "Animated shorts" refer to animations shorter than five minutes, including online animations but excluding government policy announcement shorts, commercialized animations, and animations for music videos.
2. The animated feature films in this table represent the number of new animated motion pictures released in physical theaters this year.
Source: Summarized by this survey.
■ ***Source:*** Summarized by this survey.

[10] This was based on the number of animated feature films that were shown in domestic theaters, omitting those that were shown at film festivals.

Based on the list of animated series, a total of 42 Taiwanese original animated series have been produced in the last 10 years, averaging more than four productions each year. The type of domestic animation produced was mostly popular science shows, such as the Go Go Giwas series and A Journey of Drug Discovery – Fighting Alzheimer's Disease, etc. Family-themed animated series include the My Little Boys series and the Yameme series.

In 2020, six domestic animated series were released, including A Journey of Drug Discovery – Fighting Alzheimer's Disease, Yameme-Formosa, A Quest for Sound, Go Go Giwas Season 3, Lab Lab Cab Cab Season 1, and My Little Boys Season 3: Joyfulness.

Among the channels that premiered animated series, PTV released the most productions, with a total of 24 series. This was followed by six series released by TTV. Out of the six domestic original animated series released in 2020, PTV and Hakka TV each broadcast two series, with the rest of the series being broadcast on TTV and SET Metro.

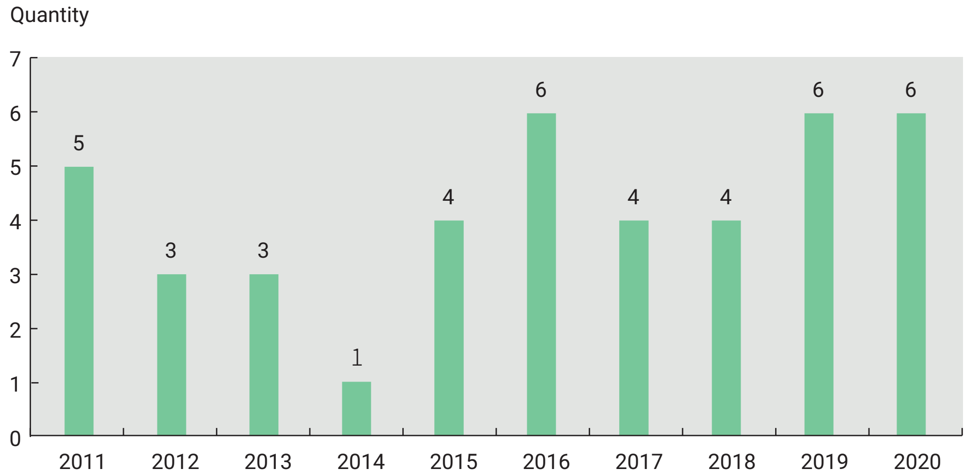


Figure 2-43. Number of domestic animated series premiered from 2011 to 2020

■ ***Source:*** Summarized by this survey.

In the last ten years, a total of 12 animated feature films have been released in the domestic motion picture market, with 2017 and 2019 each releasing three animated motion pictures. Despite the fact that no domestic animated feature films were released in physical theaters in 2020, two animated feature films, Dr. Sun and City of Lost Things, were presented at various film festivals. Domestic animated feature film themes are mostly adapted from traditional mythologies, religious stories, or screenplays of glove puppetry shows. However, several animations with original themes, such as ***Barkley the Cat*** and ***On Happiness Road,*** have emerged in recent years.

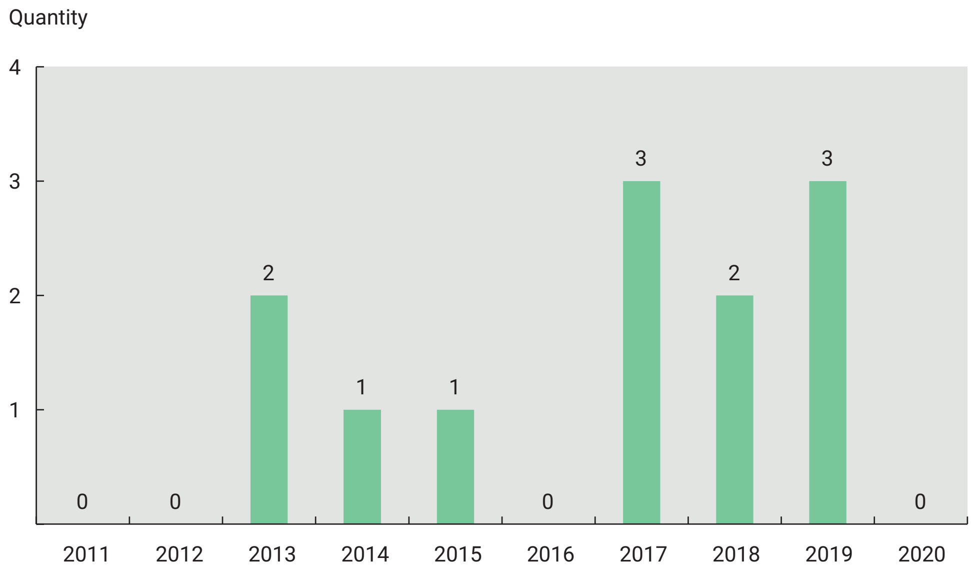


Figure 2-44. Number of domestic animated feature films released from 2011 to 2020

■ ***Notes:***
1. The animated feature films in this survey refer to animations longer than 60 minutes per episode, including puppet animations and animated motion pictures played during test screenings.
2. The animated feature films in this table represent the number of new animated motion pictures released in physical theaters this year.
■ ***Source:*** Summarized by this survey.

Taiwan has a lot of creative energy and capabilities for generating short animated motion pictures. With the rapid advancement of digitalization, an increasing number of independent creators are uploading their original animations to online platforms, with animated shorts (animations with a content duration of less than five minutes) being the most prevalent.

In recent years, domestic animation creators have used online platforms and social media to accumulate a fan base by using original graphics and illustrations and then creating animated shorts based on the popularity of these illustrated characters and graphic designs. The number of shorts produced this way exceeded 400 per year. In 2020, there were 692 short animations released, with 442 of them being animated shorts (animations with a content duration of less than five minutes) based on characters from original graphics or comics, such as "Bugcat Capoo" and "Twodeerman," among others. In comparison to 2019, the number of short animations declined due to a lack of fresh releases of animated shorts by these original animation authors, resulting in a decrease in the overall number of productions in the short animation industry.

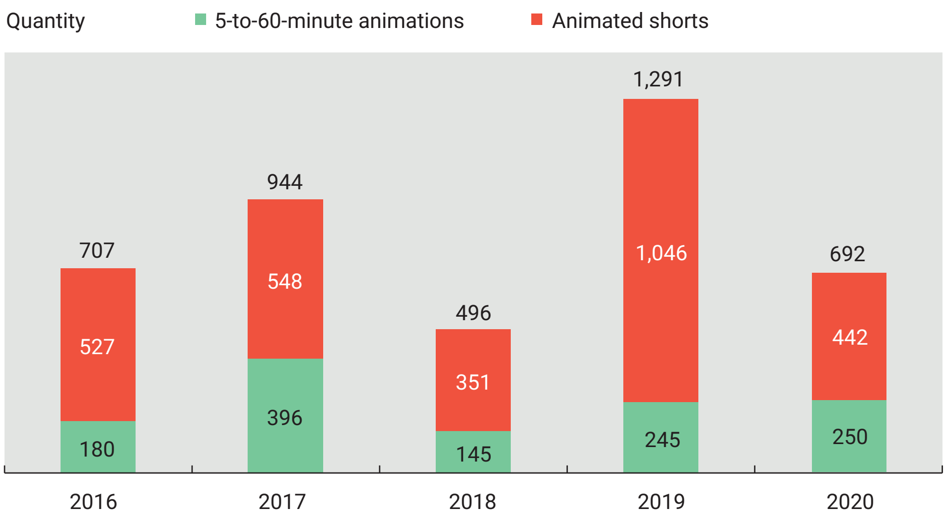


Figure 2-45. Number of online short animation productions in Taiwan from 2016 to 2020

■ ***Source:*** Summarized by this survey.

As for the duration of videos, domestic short animations were predominantly animated shorts with less than five minutes per video. However, an increase in the duration of videos could be observed over the years, from an average of 1.23 minutes per video in 2016 to an average of 2.82 minutes per video in 2020. Furthermore, the proportion of 5-to-10-minute animations has climbed year after year, accounting for 28.76 percent of total short animations in 2020.

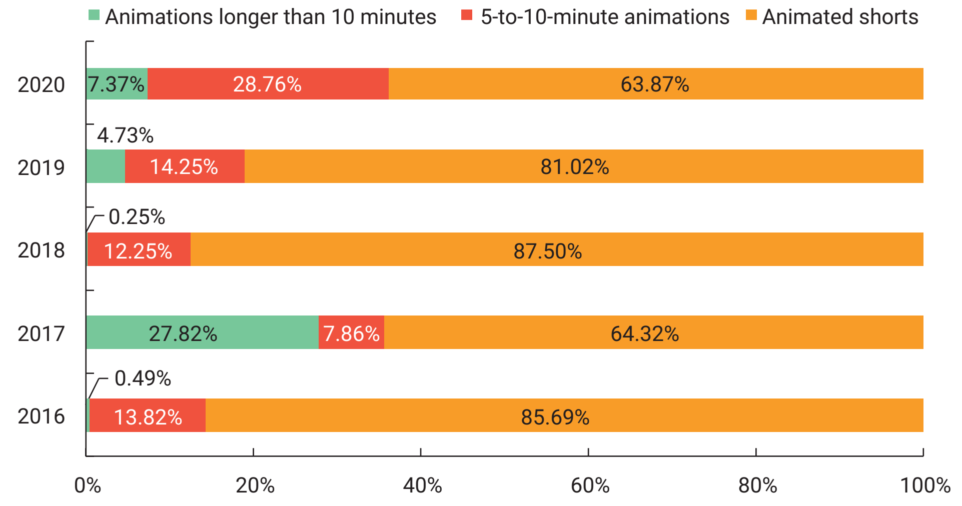


Figure 2-46. Types of online short animation productions in Taiwan from 2016 to 2020

■ ***Source:*** Summarized by this survey.

In previous years, the format and content length of domestic short animations were limited owing to the necessity to capture the attention of the audience in a short period of time, resulting in a large quantity of animated shorts (animations with a content duration of less than five minutes) being made. As these original illustration creators gained experience and impetus in animation production, production scales expanded, resulting in longer creative periods for domestic short animations.

Domestic animation production companies on average spent 71.43% of their time producing original animations, which was higher compared with the previous year. Breaking down revenue from animations, original animations accounted for 49.06% and animation OEM services accounted for 50.94%.

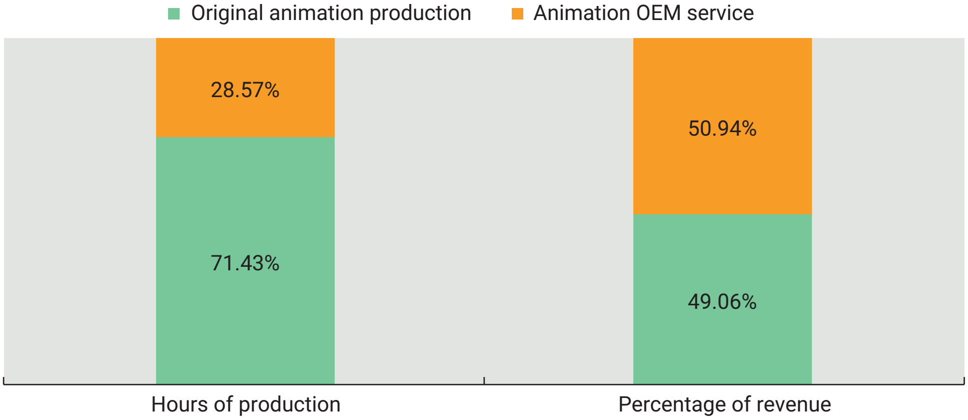


Figure 2-47. Domestic animation production overview in 2020: animation production industry

■ ***Source:*** Summarized by this survey.

Data on production hours and revenue percentages, both of which were higher than in prior years, proved that domestic animation OEM and special effects businesses mostly supplied animation OEM services.

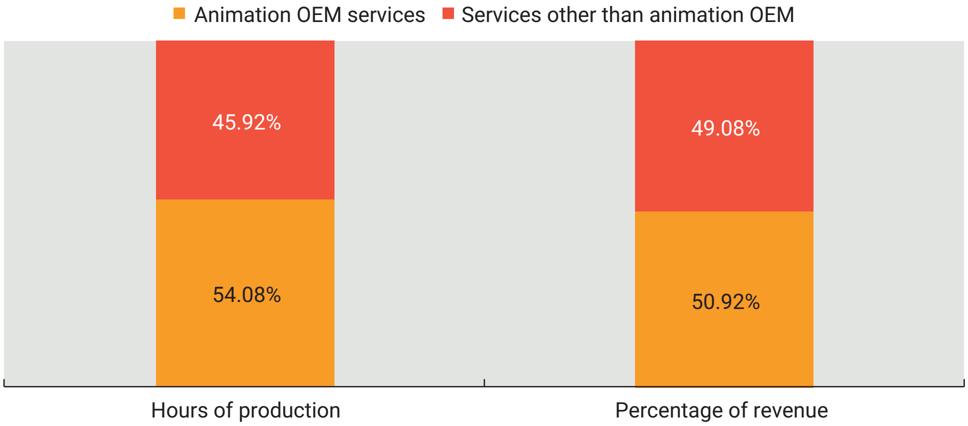


Figure 2-48. Domestic animation production overview in 2020: animation OEM and special effects industries

■ ***Source:*** Summarized by this survey.

3.4.2. Domestic animation screening channels

The main channels currently specializing in broadcasting animation series in Taiwan are Cartoon Network and ANIMAX (foreign channels), as well as YOYO TV and MOMO Kids (domestic channels).

According to data from Nielsen, the channels that mainly broadcast animation series in 2020 had ratings that were either unchanged or lower than in the previous year. PTV was the only exception. In terms of ratings for each channel, YOYO TV had the highest ratings, followed by PTV.

Table 2-25. Overview of animation channel viewership from 2016 to 2020

Unit: %

Channel/Year	2016	2017	2018	2019	2020
CARTN/Cartoon Network	0.10	0.09	0.07	0.07	0.07
ANIMX/ANIMAX	0.04	0.04	0.03	0.02	0.02
YOYO/YOYO	0.24	0.23	0.23	0.23	0.21
MOMOK/MOMO Kids	0.12	0.14	0.14	0.13	0.12
PTV/Public Television Services	0.11	0.10	0.10	0.12	0.13

■ ***Source:*** Nielsen data quoted from the 2016-2021 White Paper on Taiwan Media, Media Agency Association (MAA).

The main broadcasting channels of domestic animated series in recent years were PTV, TTV, and Hakka TV, none of which specialized in broadcasting animations, whereas the four main animation broadcasting channels in Taiwan (Cartoon Network, ANIMAX, YOYO TV, and MOMO Kids) broadcast foreign animations (such as those from Europe, America, Japan, etc.) exclusively.

Table 2-26. Broadcast hours and percentages of domestic and foreign animated series on major broadcasting channels from 2016 to 2020

Unit: Hours, %

Animation	2016		2017		2018		2019		2020	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Percentage	0%	100%	0%	100%	0%	100%	0%	100%	0%	100%

■ ***Source:*** Summarized by this survey.

3.4.3. Domestic animated motion picture market – distribution overview

From 2016 through 2020, a total of 309 animated feature films were released in physical cinemas. With 206 pictures, Japanese animation accounted for 66.67% of the total, followed by 64 American animated films, accounting for 20.71%. Taiwanese animation accounted for 3.0% of the total with seven films.

As a result of the pandemic in 2020, many domestic and international motion pictures were canceled or postponed, resulting in the highest number of animated films shown in theaters in recent years, with a total of 104 films, of which 20 (71.43%) were Japanese animations. There were no new domestic animated feature films released in theaters in 2020; only two films released across-years were Taiwanese animations.

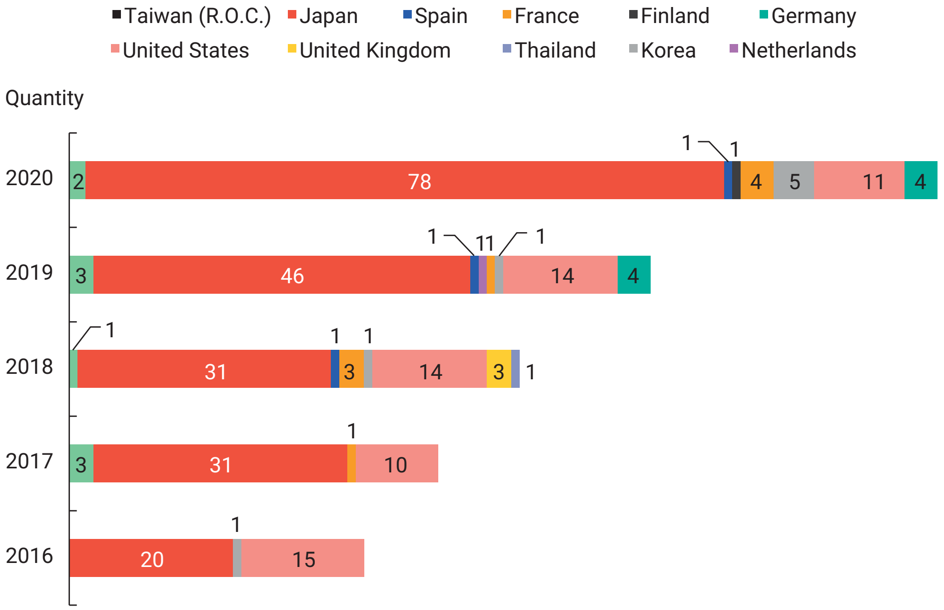


Figure 2-49. Source countries of animated feature films screened by domestic movie theaters from 2016 to 2020

■ ***Notes:***
1. The animated motion pictures in this survey refer to animations longer than 60 minutes per episode, including puppet animations and animated motion pictures played during test screenings, as well as short animations that are shorter than 60 minutes.
2. This section includes animated motion pictures released across years.

■ ***Source:*** Data before 2016 was acquired from the Taipei Film Trade Association; data from 2017 to 2018 was acquired from the Taiwan Film and Audiovisual Institute; data after 2019 was Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

3.4.4. Domestic animated motion picture market – box office overview

According to the box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act, a total of 66 animated feature films were newly released in 2020, with a total box office of approximately NT$1.148 billion, a decline of 30.97% compared to 2019. This was mainly due to the impact of the COVID-19 pandemic on the box office performance.

Out of all the new releases in 2020, only the Japanese animation, ***Demon Slayer the Movie: Mugen Train***, exceeded 100 million at the box office, reaching NT$586 million as the number one box office motion picture in Taiwan for the year. This was followed by the Japanese animation,

Sumikko Gurashi the Movie: The Unexpected Picture Book and the Secret Child, which generated NT$80.18 million.

Table 2-27. Animated motion picture box office in Taiwan from 2016 to 2020

Unit: NT$10,000

Country/Year	2016	2017	2018	2019	2020
Taiwan (R.O.C.)	-	681	1,238	863	-
Japan	30,221	32,349	20,240	51,884	94,279
Spain	-	-	2	14	-
France	-	333	553	2,322	846
Netherlands	-	-	-	14	-
Germany	-	-	-	236	1,144
United States	78,002	61,854	60,582	111,053	16,072
United Kingdom	-	-	269	-	-
Korea	44	-	195	2	2,487
Thailand	-	-	61	-	-
Total	108,267	95,217	83,140	166,389	114,828

■ ***Notes:*** The animated motion pictures in this survey refer to animations longer than 60 minutes per episode, including puppet animations and animated motion pictures played during test screenings, as well as short animations that are shorter than 60 minutes.

■ ***Source:*** Data before 2016 was acquired from the Taipei Film Trade Association; data from 2017 to 2018 was acquired from the Taiwan Film and Audiovisual Institute; data after 2019 was Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

In the list of animated feature films released domestically in the past five years, the top 50 highest-grossing animated films mainly came from the US and Japan, with a total of 26 American animated films (accounting for 66.67%) and a total of 13 Japanese animated films (accounting for 33.33%). Taiwanese animated films did not break into the top 50.

Among the 16 animated feature films that have exceeded 100 million at the box office in the past five years, 12 were American animations, and four were Japanese animations. The highest-grossing animated film was the Japanese animation, ***Demon Slayer the Movie: Mugen Train,*** released in 2020. The second highest-grossing film was the American animation, ***Frozen 2***.

Table 2-28. Source countries of the top 50 highest-grossing animated feature films in Taiwan from 2016 to 2020

	Number of motion pictures	Percentage of motion pictures	Box office	Box office percentage
Japan	13	33.33%	157,725	34.67%
United States	26	66.67%	297,149	65.33%

■ ***Notes:*** The animated motion pictures in this survey refer to animations longer than 60 minutes per episode, including puppet animations and animated motion pictures played during test screenings, as well as short animations that are shorter than 60 minutes.
■ ***Source:*** Data before 2016 was acquired from the Motion Picture Association of Taipei; data from 2017 to 2018 was acquired from the Taiwan Film and Audiovisual Institute; data after 2019 was Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

3.4.5. Animated motion picture average views in Taiwan

The annual average viewing for animated feature films in Taiwan grew between 2016 and 2020, from 58,000 views per film in 2016 to 165,600 views per film in 2020. This showed that the number of people watching animations in theaters has increased over the years.

A closer look at the average number of views for each country's animation revealed that the average view of Japanese animation increased significantly in 2020, owing to the success of *Demon Slayer the Movie: Mugen Train.* The average number of views for American animation plummeted, primarily due to the cancellation and postponement of the release of Hollywood animated feature films under the influence of the pandemic, resulting in a lower total average number of views.

Table 2-29. Average views of animated motion pictures by various countries in Taiwan from 2016 to 2020

Unit: Views, views/number of motion pictures

Country/Year	2016	2017	2018	2019	2020
Taiwan (R.O.C.)	-	9,438.67	32,536.00	9,501.00	-
Japan	29,215.48	43,242.94	20,099.58	46,596.47	189,092.70
France	-	15,688.00	6,248.00	105,065.00	25,014.00
United States	100,208.50	273,047.70	144,526.63	340,292.07	170,796.00
United Kingdom	-	-	4,115.00	-	-
Korea	987.00	-	8,526.00	100	48,195.00
Germany	-	-	-	3,322.00	49,648.00
Other countries	-	-	1,405	647.00	-
Average number of views each year	58,364.42	91,444.71	50,324.77	100,875.84	165,573.93

■ ***Notes:***
1. The animated motion pictures in this survey refer to animations longer than 60 minutes per episode, including puppet animations and animated motion pictures played during test screenings, as well as short animations that are shorter than 60 minutes.
2. Only animated feature films (including test screenings) released in the current year were included in the data.

■ ***Source:*** Data before 2016 was acquired from the Motion Picture Association of Taipei; data from 2017 to 2018 was acquired from the Taiwan Film and Audiovisual Institute; data after 2019 was Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

3.4.6. Primary distributors for animated motion pictures in Taiwan

In terms of animated feature film distribution in the past five years, Japanese animations were mostly distributed by GaragePlay, Mighty Media, Muse Communications, and Crown Films. American animations were distributed by Hollywood studios such as Warner Bros., Walt Disney, and Universal Studios, etc. As for domestic animated feature film distribution, no local distributors specialize in animated content; Shine Time Entertainment, Vievision, and iFilms have all previously released domestic animations.

In addition to distributing animated feature films, animation distributors in Taiwan have recently started distributing animated shorts (animations with a length of less than five minutes), such as Muse Communications continued agency of “Pui Pui Molcar” and “Kapibara San” for the past two years.

Table 2-30. Main distributors of domestic and foreign animated motion pictures from 2016 to 2020

Unit: Number of animations, %

Name of distributor	Quantity	Percentage
GaragePlay Inc.	37	11.97%
Mighty Media Co., Ltd.	31	10.03%
Muse Communication Co., Ltd.	28	9.06%
Crown Films Co., Ltd.	19	6.15%
Applause Entertainment Limited Taiwan Branch (H.K.)	16	5.18%
CaiChang International, Inc.	14	4.53%
The Walt Disney Company (Taiwan) Ltd.	13	4.21%
Universal Pictures Corporation of China Taiwan Branch (U.S.A.)	13	4.21%
Buena Vista Film Company Ltd.	12	3.88%
Other	126	40.78%
Total	309	100%

■ ***Source:*** Inventoried by this survey study.

3.4.7. Overview of animation broadcast on domestic OTT platforms

As of July 5, 2020, approximately 6,068 animations were listed on CATCHPLAY+, friDay Videos, KKTV, LINE TV, Netflix, LiTV, PTV+, myVideo, and iQiyi International, representing a 37.97% increase over the previous year.

Since 2018, the number and percentage of domestic animated films has steadily increased. In 2021, there were 94 animations listed, a slight decrease from previous years.

Depending on the nature of the platforms, the type of animation broadcast was different: CATCHPLAY+ primarily played long animations with a content duration of more than 60 minutes, which were mostly European and American animations; friDay Video played long animations and animated series that came from a variety of source countries; Hami Video, KKTV, LINE TV, and LiTV mainly broadcast Japanese animated series; Netflix has been actively acquiring animated content from various countries (such as Japanese animation), as well as producing its own animation.

Table 2-31. Animation released on each platform in Taiwan from 2018 to 2021

Unit: Number of animations, %

Platform	2018		2019		2020		2021	
	Number of domestic animations	Total number of animations	Number of domestic animations	Total number of animations	Number of domestic animations	Total number of animations	Number of domestic animations	Total number of animations
CATCHPLAY+	2	79	3	206	4	332	2	775
LINE TV	3	60	3	203	4	338	7	629
Hami Video	10	334	-	675	13	205	1	828
friDay Video	17	481	37	411	73	709	73	910
myVideo	-	-	2	391	1	552	3	757
LiTV	-	-	9	577	5	632	1	807
Yahoo TV	3	136	-	-	-	-	-	98
Netflix	-	263	-	294	-	557	-	219
iQiyi International	3	719	6	636	-	480	4	244
KKTV	-	15	2	290	1	558	1	797
PTV+	4	4	3	3	4	4	2	4
FainTV	1	19	1	45	1	31	-	-
Coture	8	9	8	17	-	-	-	-
Total	51	2,119	74	3,748	106	4,398	94	6,068

■ ***Notes:***
1. The data was retrieved from 2018/08/25 to 2018/08/31, 2019/07/14 to 2019/07/20, 2020/09/03 to 2020/10/05, and 2021/06/29 to 2021/07/05.
2. The years stated in this table are data retrieval years, not animation broadcast years.
3. Coture stopped its services on March 31, 2020.

■ ***Source:*** Summarized by this survey.

3.4.8. Overview of animation broadcast on Bahamut Anime

In addition to the video platforms mentioned above, this survey also studied the Bahamut Anime platform, a domestic broadcaster of local and foreign animations.

As of July 6, 2021, a total of 1,109 animations have been acquired by the Bahamut Anime platform, an increase of 370 animations compared to 2020. The acquired animation included animated series, animated feature films, and animated shorts.

The genre of animation was mainly adventure fantasy (accounted for 30.03% of the total), followed by futuristic sci-fi (16.23%), comedy (11.27%), and heartwarming (6.58%). Other than adventure fantasy, futuristic sci-fi, and comedy, the number of animations in the competitive sports and campus life genres has also increased, according to the newly introduced animations this year.

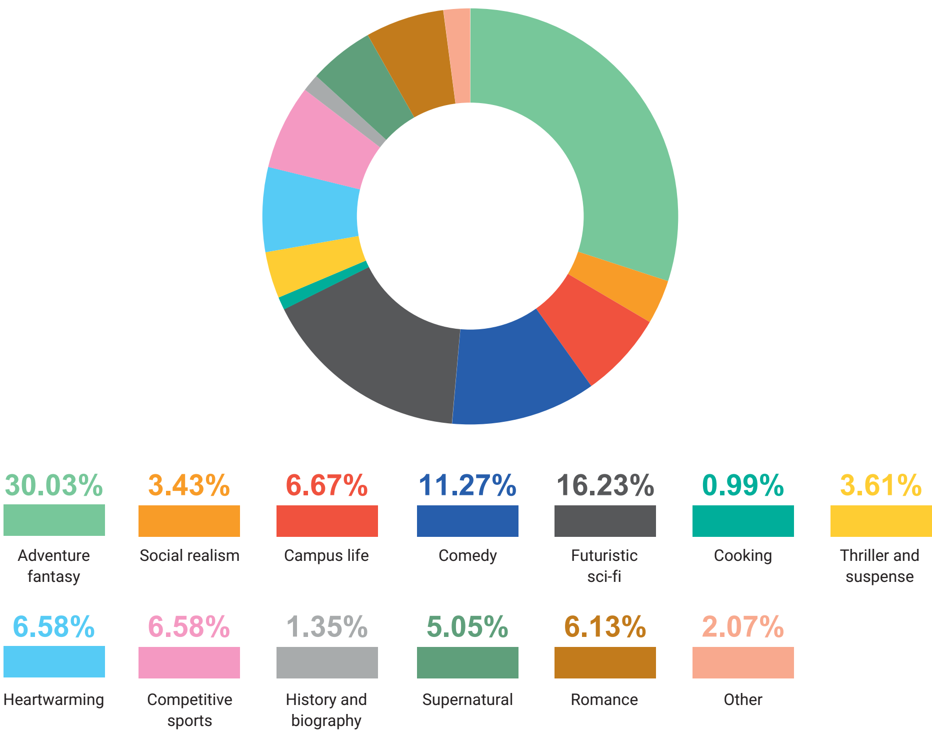


Figure 2-50. Types of animations broadcast on the Bahamut Anime platform

■ ***Source:*** Summarized by this survey.

III FORECAST

1 Television Industry

1.1. Effects of the COVID-19 pandemic on the television industry

1.1.1. New shifts in the global OTT market as it recovers from the diminishing impact of the pandemic in 2021

The Asia-Pacific OTT market grew rapidly in 2020 under pressure from external variables. With its development potential, this market is predicted to become the world's largest OTT market in the next decade. According to PwC, the OTT business will face two major problems in 2021, including "temporary loss of customers" and "decrease in potential customers." As economic activities return to normal, these problems will be more difficult for the OTT business.

From an international standpoint, despite the fact that vaccinations have been standardized and epidemic prevention measures have gradually relaxed in various countries since the latter half of 2020 (which allowed consumers to resume outdoor activities and for large-scale sporting events to be broadcast), international OTT platforms continue to expand overseas and launch in the Asia-Pacific market. As a result, there has been intense competition as well as collaboration between international and domestic enterprises, which has contributed to a growth in the overall number of OTT platform subscribers. However, compared to the past, where the market was overwhelmingly dominated by a few international platforms, more and more users are registered on multiple platforms. Subscription growth on a single platform is projected to slow in the future.

From a local standpoint, Taiwan's OTT platforms experienced tremendous growth in terms of views and newly registered members throughout the pandemic. As for the future, the primary operating goal of domestic OTT operators will be to remain competitive and strategize against overseas OTT platforms such as Disney+, HBO MAX, and TVing (the latter two companies plan to enter the domestic market in the near future).

1.1.2. In the aftermath of the pandemic, brand management suffered as a result of the loss of television network viewers

The epidemic's main impacts on the domestic television industry were the delays and postponements of filming progress, as well as the delay of broadcast schedules for program content, which affected channel operating plans. This was especially problematic for variety shows and television series that were broadcast while being recorded, because after production ceased, the station would be forced to broadcast stock content or rebroadcast. When consumers shift their entertainment consumption as a result, it is damaging to the programs that have lost their existing audience. Moreover, it would be disadvantageous to continue to manage these program brands and, in turn, affect the channel's target demographic.

1.1.3. Digitalized production and remote application of contents under the pandemic

A large part of the television industry had to suspend or stop filming due to the spreading pandemic. However, there were also dramas and variety shows that took advantage of this. By making adjustments during filming, these programs managed to leverage current affairs and ride the trend of accelerated digitalization.

Taking drama content as an example, the domestic OTT platform KKTV collaborated with Japanese OTT operators Video Market and Rakuten TV in the production of the original drama series See You After Quarantine? using remote filming. In addition to incorporating current events into the story, filming rolls from different locations were examined simultaneously via video conferences, allowing investors to participate in and monitor the production process in real time. In terms of variety shows, the filming of 100% Entertainment: OWO Werewolf was transformed from filming in a physical studio to filming via video conferences during the heat of the pandemic. Participating artists frequently had to deal with sluggish internet connections or blunders created by virtual backgrounds, which not only highlighted the difficulties encountered during the digitalization process, but also became an iconic feature of the program.

1.2. Digital development trends

1.2.1. Traditional subscription television markets continue to decline, accelerating cross-platform integration between industries

Viewer behavior changes as a result of digitalization. In addition to the primary international OTT platforms, such as Netflix and Amazon Prime Video, expanding their streaming services, new competitors are emerging in many countries. As smart TVs and networking gadgets become more widely utilized, people are abandoning cable television subscriptions at an increasing rate. Traditional cable TV operators are thus under pressure to keep their business afloat. It also compels them to digitalize their channels as early as possible and collaborate across platforms. Subscription TV services, telecom companies, and others are attempting to integrate streaming media services into their businesses. By expanding the scope of their services and improving the user experience with related application devices, they hope to reduce subscriber losses. For example, in the North American region, subscription television companies are offering better discounts for new streaming services as well as integrating a few high-quality channels into simplified bundles (skinny bundles) as responses to the current trend. In Taiwan, businesses form cross-industry alliances and investment collaborations. For example, Homeplus Digital, Taiwan Broadband Communications (TBC), and LiTV collaborated in providing customized services, while Taiwan Optical Platform invested in shares of LINE TV.

1.2.2. Content is key to the development of OTT platforms as content investment budgets increase globally

As global OTT platforms thrived and competed for the digital streaming market, consumer choice became determined by the content available on each platform. For example, Apple TV+ previously invested US$240 million in two high-budget television series in 2019; Amazon Prime Video spent US$1 billion on producing a television series adaptation of The Lord of the Rings. In addition to the 30% increase in content investments from 2018 to 2019, Netflix launched a television series adaptation of the webtoon Sweet Home at the end of 2020, with a production budget of 3 billion Won (approximately NT$81 million) per episode. Domestically speaking, Netflix has also purchased the exclusive broadcasting rights to series such as The Victim’s Game and Light the Night.

1.2.3. Varying digital formats thrive, benefiting the marketing of various video content

In an age of information explosion and popularization of digital media, time spent on leisure and recreation becomes fragmented. Video content consumption has shifted online. Content creators are making videos in a variety of formats and styles in order to capture the attention of the digital native generation ("Gen Z," short for "Generation Z") and provide them with new viewpoints and stimulation.

For example, video shorts (with a content length of less than 5 minutes or even measured in seconds) are mass-produced and distributed on specialized platforms such as TikTok, Kwai, and MadLipz, etc. On Facebook, Twitter, and other social media, these video shorts are even used as promotional materials and as a means of creating discussions and topics of interest. They are useful for conveying themes and capturing consumers' attention. For example, some Taiwanese dramas used video shorts in the form of previews and behind-the-scenes videos to create topics of discussion, promote the series, and accumulate publicity.

1.2.4. The development of new technology drives virtual business opportunities for television content in the metaverse

The impact of the pandemic has accelerated industry activities in recent years. With the maturation of new technologies and the digitalization of entertainment consumption patterns, an open-ended virtual world (a "metaverse") with endless applications has become possible. Technological applications such as digital games, online payment systems, VR/AR, and blockchains help create a metaverse. As a result, the cultural content industry has additional opportunities for growth. Starting in 2021, for example, an increasing number of "Non-Fungible Tokens" (NFTs) will be employed in conjunction with cultural content goods. The advantage of NFTs lies in their uniqueness and capacity to represent the value of virtual commodities, which further encourages their use in the industry.

The American version of the Mystery Music Show: King of Mask Singer and the domestic sports reality show All Star Sports Day are two examples of this, both of which combine program aspects with crypto art via NFTs. For example, the former show has created a series of digital masks in each season to attract faithful viewers to the show, while the latter has used the reality program's highlight reels as NFTs. In an age of digitalization, these strategies aid in the exploration of prospective business opportunities and the leveraging of the fan economy.

1.3. Dynamic development of the television industry ecosystem in Taiwan

1.3.1. The rationale for content creation and distribution shifts online as sources of audiovisual content diversify

The COVID-19 outbreak in 2020 has expedited the progress of global industry digitalization. The television industry's production and distribution rationale is no longer centered on traditional TV stations. The use of mobile devices and digital networks is incorporated into every element of the industry, from upstream content generation to broadcasting and marketing.

The impact of the epidemic on content generation and development has led the industry to entirely rethink traditional filming practices. Online co-productions and remote collaborations can be carried out while adhering to epidemic prevention regulations using mobile phones and the Internet. Some examples of this phenomenon are the 2021 Taiwan-Japan co-production See You After Quarantine?, the variety show OWO Werewolf, and Watching All-Star (the latter explicitly combines current pandemic patterns into program production by recording while the crew and show guests are in isolation).

While epidemic control efforts have limited art and cultural performances (such as plays, musicals, stand-up comedy, and so on), face-to-face contact with audiences has become prohibited. As a result, artists and performers have recently begun collaborating with online video streaming services in order to make physical performances and theater activities available online, benefiting all parties involved.

In terms of marketing and distribution, an increasing number of production teams and online platforms are collaborating to create an online marketing ecosystem. In addition to online press conferences and meet-and-greets, artists/creators can interact and converse with followers by livestreaming on YouTube, Facebook, or using sound platforms such as Clubhouse. Furthermore, online platforms provide opportunities for collaborative promotion and dissemination. For example, in 2021, The Summer Temple Fair was promoted through LINE Webtoon (a web comic platform), online music playlists, and news updates as part of the integration of LINE Group's marketing resources.

1.3.2. Resources are shared and exchanged between television content production, distribution, and marketing companies

In the past, television station operators were one-stop shops that could freely deploy resources from their production houses and talent management agencies. They had the advantage of independently developing, publishing, and broadcasting content. However, with the rising cost of television content production in recent years, as well as the competition for consumers' attention by various video streaming platforms (such as YouTube and Netflix), revenue produced by conventional TV ratings is no longer sufficient to sustain operations.

Television stations employ brand marketing to increase the value of their program content, explore business opportunities outside of the industry, and promote partnerships with other stations. They can further create opportunities to collaborate with online video production companies through strategic joint investments and broadcasts. On top of monetary funding, resource exchanges such as broadcast hours (on television channels or online platforms) and marketing assistance (from specialized marketing teams) are made possible. These collaborations, on the one hand, increase the visibility of content production firms, while on the other hand, allow television stations to receive more diverse video content, resulting in a win-win scenario through the diversified integration of upstream and downstream industries.

1.3.3. International OTT platform development: implications and opportunities of the domestic television industry

In recent years, international OTT platforms have had a considerable impact on Taiwan's television industry ecology. These platforms host vast amounts of content as well as high-budget content creations, influencing various aspects of the television industry. Content production, distribution, marketing, consumer decisions, and the supply and demand for industry skills are all affected. In terms of content development and creation, the localization strategy of international OTT platforms continues to help stimulate the production of high-quality and stylized content for domestic production companies. However, content production costs may also increase as a result. Furthermore, because international platforms have lately altered their business model from investing in original content to procuring international/domestic licenses, there is a potential risk to the recovery of production costs.

In terms of distribution and marketing, international platform operators' access to overseas markets may help boost the visibility of domestic content. It can assist in the development of potential markets that have yet to be explored. However, if domestic distributors rely on a single platform for international expansion, it may limit their ability to sell domestic television content copyright licenses in the long term. Moreover, television station revenue continues to be harmed, and the sector must consider how to increase the competitiveness of content production.

As additional platforms compete, the consumer decision-making process is altered due to popular and exclusive contents being scattered across multiple platforms. The present tendency of a single platform to offer unrestricted content access may change. Since the public is only willing to pay a minimal amount, they will be more inclined to choose content that fulfills their demands, resulting in changes in platform market shares and the possible risk of copyright infringement.

In terms of the impact on industry talent supply and demand, increased consumption of online content and blurred borders between motion pictures and television series may result in talent flow between industries. On the one hand, an increasing number of film directors and screenwriters are inclined to produce high-quality television series; on the other hand, production companies must actively seek investments and resources from large platforms in order to meet production costs. Moreover, this may also spark discussions on the cultivation and development of local talents.

2 Motion Picture Industry

2.1. The effects of the COVID-19 pandemic on the motion picture industry

2.1.1. Box office plummeted in the midst of the pandemic, but digital home entertainment revenue surged

According to the American Film Institute's (MPA) "THEME REPORT 2020", issued in March 2021, when the pandemic struck, the global box office collapsed by roughly 70% compared to the same period the previous year. Due to social restrictions imposed by each country during the epidemic, the average time people spend at home increased, which led to the family entertainment market seeing significant growth in revenue and subscribers. According to statistics, online streaming service subscribers have surpassed 1.1 billion, a 26% increase over the previous year. The family entertainment market's revenue reached US$68.8 billion, an increase of 23% compared to 2019. The overall number of subscribers in the US market climbed by 32% to US$309 million, while revenue increased by 21% to US$30 billion.

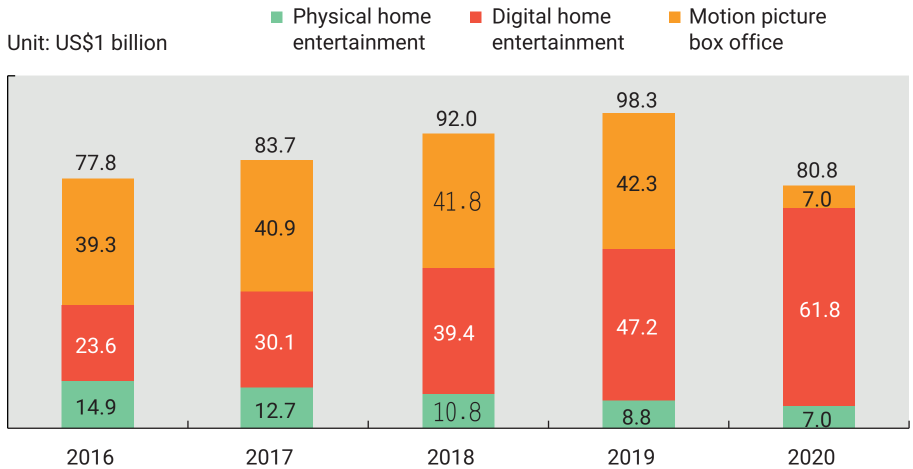


Figure 3-1. Global home entertainment and motion picture market revenue from 2016 to 2020

■ ***Source:*** MPA (2021), THEME REPORT 2020

Due to the influence of the pandemic, many countries are continuing to implement pandemic protection measures (such as closing movie theaters and entertainment venues), causing scheduled movie premieres to be postponed. Some films opted to be available on digitalized streaming services rather than in cinemas, which implies they forego the option of being shown in theaters in favor of being available on OTT platforms. This has had a significant impact on the global film business.

In 2020, the global motion picture box office was US$12 billion, with US$2.2 billion generated from the North American market. They fell by 72% and 80%, respectively, compared to 2019. In terms of other markets' box offices, the Asia-Pacific region's box office in 2020 was roughly US$6 billion, down by 66% from the previous year. Mainland China, Korea, and India were down by 68%, 75%, and 77%, respectively. With the release of ***Demon Slayer the Movie: Mugen Train***, Japan's market only decreased by 44%; in contrast, Europe's movie box office fell by 68% compared to last year, with a revenue of US$3.3 billion. The UK, Germany, and France's box offices all fell by around 70%.

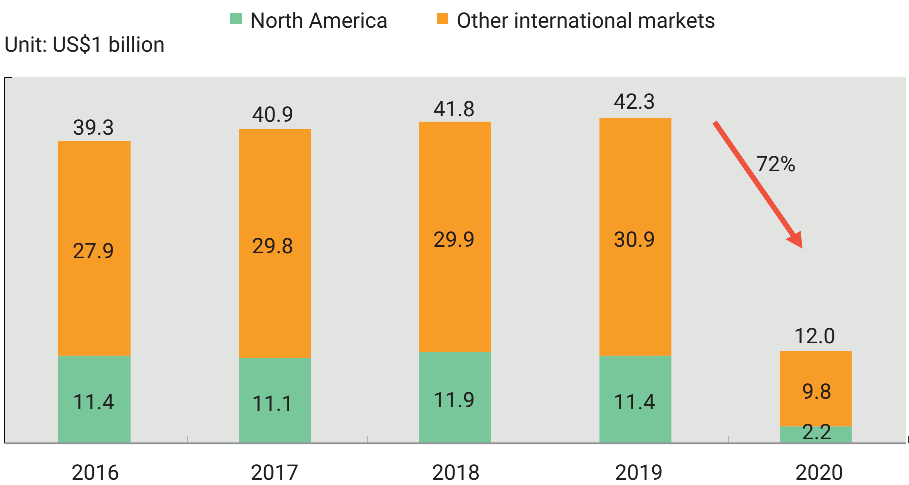


Figure 3-2. Worldwide box office from 2016 to 2020

■ ***Source:*** MPA (2021), THEME REPORT 2020

2.1.2. Motion picture content production faced obstacles, and the filming process was altered

In terms of content production, many countries have implemented stay-at-home regulations, which require just the most critical enterprises to remain open while closing down the remainder. Many production firms' filming plans were forced to be suspended or postponed as a result of this. This affected the livelihoods of local laborers. Furthermore, they were also unable to travel overseas for work.

As countries gradually lifted their quarantine policies, corresponding health and safety measures or exemptions were proposed in order to resume filming production. Policies such as limiting the number of people allowed on a single production site, implementing disinfecting and cleaning procedures, changing filming schedules and locations, and adding virtual production, all resulted in a significant increase in production costs.

2.1.3. Changes in motion picture distribution

As a result of the pandemic's impacts, movie theaters in various countries, including Europe and the United States, ceased to operate. This forced Hollywood filming firms and local publishers to prolong the dates of their films' premieres. The films affected were: ***A Quiet Place II, 007: No Time to Die, The New Mutants, Peter Rabbit 2: The Runaway, Fast & Furious 9***, and ***Mulan***. The release of ***Mulan*** in movie theaters was canceled in various regions (including the US, Canada, Australia, New Zealand, etc.). Instead, it was released on Disney's own streaming platform, Disney+. Warner Brothers also stated that certain select films would be released simultaneously in theaters and on streaming platforms.

Motion picture production companies in each country began to look for new business models and chances to breach the customary 90-day window period as a result of both the effects of digital convergence and COVID-19. Some decided to release content directly to their own online streaming platforms. Businesses in the industry's stance toward the 90-day window reduction has also altered, from initially opposing and boycotting it to progressively merging their viewpoints and achieving a consensus. As a result, whether the shortening of release periods for upcoming films becomes the norm will need to be monitored.

2.1.4. Diverse content and modes of cinematic experience provided by screening companies

Due to the influence of COVID-19, many movie theaters experienced challenges such as no films being released, insufficient audiences, and expensive rent. Cinemas were unable to make effective use of their hardware, sound systems, or deliver an immersive experience in order to attract people. In addition to changes in filming companies' rules and commercial perspectives, many motion pictures are now aired directly online, which affects movie theaters' primary source of revenue: box office revenue. As a result, many theater owners have begun to explore new ways to generate income outside of the traditional box office. For example, some theaters chose to rerun selected classic films, while others constructed "virtual movie theatres" to avoid the constraints of traditional premiere dates; some created drive-in cinemas and various other methods in the hopes of establishing and maintaining ties with their audiences.

2.2. Digital development trends

2.2.1. Immersive theaters improve viewing experience for consumers

Since 2020, the film industry has experienced cancelation of distributions, closing of physical cinemas, suspension of production teams, and other issues as a result of the pandemic, hurting the general operation of the industry. Even after the virus is gradually brought under control, the public's inclination to go to the movies has not yet been restored. In addition, younger generations are drawn to new forms of entertainment. Immersive theaters are therefore created to improve the general viewing experience in the hopes of increasing the public's propensity to enter the cinemas. For example, CMC Inc. in Mainland China has combined its UME Cinema and UMEPLAY to create an immersive theater that uses sound and light effects to break the constraints of conventional theaters.

2.2.2. Increased demand for virtual production in response to the pandemic

In general, virtual production refers to a production style that combines virtual filmmaking with physical filming. Green screens dynamic capture, and other special effects [11] , are used in virtual filming. As display technology advances, so does the form of virtual filmmaking, which has evolved from employing green screens in virtual studios to LED displays presenting relevant scenes.

The earlier means of filmmaking (in person and on physical sets) have been constrained in the face of the COVID-19 outbreak. Therefore, the demand for virtual production, such as LED virtual studios (which can solve the limitations of crowd gathering and moving film sets while saving production costs), has increased recently.

However, there are still technical issues to be resolved in virtual production, such as color differences in the LED wall, Moiré pattern, unrealistic lighting, and so on, which must be addressed in post-production. Moreover, in order to make the virtual filmmaking process resemble real-life scenarios, pre-planning must be more precise. This will also cause Taiwan's film industry to emphasize more on pre-production. Recently, post-production special effects companies and schools in related fields have also introduced virtual studios, providing domestic production companies with a new means of filming.

2.2.3. In response to pandemic trends, motion picture distribution is adopting a "movie theater + streaming" approach

The COVID-19 epidemic has prompted several countries to institute social distancing, home isolation, and other epidemic preventive measures, which has impacted the operation of physical theaters in various locations. Consumer viewing habits have shifted in reaction to the epidemic and the advancement of digital convergence, putting the traditional motion picture distribution strategy to the test. The time period of guaranteed exclusive broadcasting rights for physical cinemas may be gradually reduced. Some publishers go so far as to use a "day-and-date" release strategy. For example, Warner Bros. was the first to announce that all movies in 2021 would be released simultaneously on theatrical and home streaming platforms. However, once the pandemic has subsided, it is projected to return to traditional theatrical distribution in 2022. Previously, digital distribution guaranteed theaters 70–90 days of exclusive broadcast rights to motion pictures, but this is expected to be reduced to 45 days in 2022.

[11] Based on the article in The News Lens (2021): "Behind the scenes: using *The Mandolorian and Sweet Home* as examples, how does "virtual production" transform the film industry in a pandemic era?" https://www.thenewslens.com/article/153843

2.3. Dynamic development of the motion picture industry ecosystem in Taiwan

2.3.1. Digital convergence accelerates diverse development of video content

Consumer behavior shifted in the face of digital convergence and COVID-19, resulting in the rapid development of online streaming platforms. To appeal to a younger audience, the motion picture industry businesses actively launched new types of video material in new formats, such as VR (Virtual Reality) entertainment and feature-level television series. Taiwanese motion pictures have also actively generated IP content in recent years by adapting from films and literature, in order to launch homonymous television series (such as the case of More Than Blue). Businesses aim to produce fresh content and explore new opportunities by extending and expanding on existing stories.

In general, the motion picture industry has changed its modes of operation in recent years in reaction to digital convergence. Motion picture industry businesses aim to improve the competitiveness and visibility of their productions. They hope to achieve this by modifying the type and format of material generated, or by developing immersive content through specialized technology.

2.3.2. Taiwanese production decreases in scale due to the size of the domestic market and a lack of investment from outside the industry

In recent years, the scale of Taiwanese motion pictures has mostly been determined by whether production costs can be recovered through the domestic box office. During the pre-production planning phase, investment risks were assessed and minimized. As a result, the whole production scale was lowered, and the average production cost in 2020 was NT$28.16 million (only a small number of films funded by overseas investors had a larger production budget). Although financing for domestic motion films is frequently provided by sources other than the film industry (such as the gaming or food industries), investments from financial holding firms have dropped in recent years. Instead, these corporations chose to invest in other cultural and creative industries. Overall, funding motion picture production is a high-risk venture, and the willingness to invest is generally limited. However, some professionals with foreign film industry experience, as well as other industry workers, have recently decided to enter the domestic motion picture industry. This may aid in the future introduction of resources from outside the sector.

2.3.3. Slow recovery from the pandemic leads to prolonged restoration for all aspects of the motion picture industry

Although the pandemic outbreak has slowed slightly in 2021, there are still many unknown factors in the future due to the constant emergence of new viral variants. As a result, the industry's production, distribution, and screening have yet to return to pre-crisis levels in 2019. In terms of distribution, there will be a strong emphasis on both conventional movie theaters and digital streaming. For example, in 2020, Warner Bros. is set to reduce the 70-90 day window of exclusive broadcasting rights for physical cinemas.

In terms of box office performance, various countries have recently relaxed their epidemic prevention measures (such as social distancing). However, public confidence remains low. In addition, due to a lack of blockbuster films, box office performance has yet to return to levels seen in 2019.

Pandemic prevention and control measures in each country limit the amount of interaction between domestic and foreign businesses, which affects many filming plans. In addition, platforms (such as film festivals and film markets, i.e., Marché du Film) for filmmakers to communicate with local or overseas audiences and potential investors have changed to "online + physical" or simply online forms. This limits the benefits of these conventions, affecting the performance of domestic content overseas.

2.3.4. OTT platforms continue to invest in Taiwanese motion pictures. While international OTT platforms have recently become an important export channel for Taiwanese films, follow-up collaborations should be monitored

The epidemic has been driving the use of online streaming platforms since 2020, thereby increasing OTT platforms' demand for local content. As a result, both local and foreign OTT platforms continue to invest in the acquisition of Taiwanese motion pictures, resulting in an expansion of the platforms' content libraries.

Traditionally, Taiwanese motion pictures were licensed internationally primarily through individual copyright transactions with single markets. Due to COVID-19 and digital convergence, physical theaters and trade shows in several nations are being forced to close or be canceled. Due to the ineffectiveness of online trade shows and the difficulty of screening motion pictures in overseas theaters, a recent trend of global licensing of Taiwanese motion pictures via foreign OTT platforms has emerged. From a production standpoint, because worldwide OTT platforms are not bound by national borders, the possibility to reach a larger audience internationally means a greater chance of recovering production costs. However, Taiwanese productions have very little opportunity to be viewed among the large amounts of content available on numerous channels. As a result, the future collaboration between different platforms and Taiwanese movies needs to be closely monitored.

3 Animation Industry

3.1. The effects of the COVID-19 pandemic on the animation industry

Beginning in 2020, the global proliferation of COVID-19 had a significant impact on the film and television industries. As demonstrated in the case of Japan, the pandemic also had a considerable effect on the animation industry.

The effects, in general, were focused on the delay of animation production. Firstly, many Japanese animations were outsourced to Mainland China's production team, but as the local pandemic worsens, delivery services were suspended, hampering the outsourcing firms' capacity to deliver work on time. As of April 2020, broadcast schedules for more than 20 animations had already been affected (stopped updating or delayed their release).

Secondly, when the pandemic spread to Japan, the Japanese government imposed restrictions on outdoor activities, forcing local animation production companies and publishing companies to work from home. This affected production efficiencies due to the inability to conduct physical meetings. Furthermore, some local animation studios still use physical paper in their creative process and have yet to get used to creating digitally. Moreover, the dubbing process was restricted by social distancing, which resulted in lengthened production periods.

In addition, many movie theaters suspended their operations owing to the pandemic, causing animated film releases to be postponed. Offline (in-person) activities such as sales of peripheral merchandise and exhibitions were also forced to a halt, affecting revenue streams for various businesses.

The pandemic had an effect on animation production, but it was not as bad as it was on live action cinematography. As stay-at-home time grew, so did the demand for entertainment. This ultimately helped the animation industry gain a larger audience.

3.2. Digital development trends

3.2.1. Under the influence of the pandemic, the animation production industry increases its cross-industry collaborations

Due to the pandemic, in-person cultural performances and exhibitions were either canceled, postponed, or moved online, resulting in an increased number of exhibitions and virtual museums. This caused the demand for visual animation and special effects to increase, as observed in online events, exhibitions, and artwork that utilize AR/VR/XR, AI, AIoT, and cloud computing technologies provide the audience with an immersive experience. An example of this is the "AR Museum guide" provided by the National Taiwan Museum in 2020. Overall, with the global trend of digitalization, immersive experiences based on alternative reality technology and exhibitions that integrate virtual and physical realities, will bolster the demand for animation special effects, as well as collaborative efforts between the animation industry and other industries.

3.3. Dynamic development of the animation industry ecosystem in Taiwan

3.3.1. Domestic production for animated shorts brims with energy as production scales continue to expand

The Taiwanese animation industry has been brimming with energy for the creation of short animations in recent years, including student films and animation drawn from original domestic imagery. Among them, the cost and technology of animation produced from domestic original images did not necessitate a systematic procedure to make (such as employing storyboards, scripting, sound effects, and dubbing, etc.), resulting in a high number of projects each year. As original image creators accumulate experience and momentum in producing animations, their production scale expands, leading to lengthier production processes.

Moreover, the specifications for animated series and animated feature films were more stringent, necessitating lengthier production times. Aside from creative capacities, business operating capabilities were also essential, limiting the number of long-animated productions each year.

3.3.2. The pandemic drives OTT platforms to increase demand for animated content

Consumers are spending more time on online streaming services as a result of digital convergence and the COVID-19 epidemic, resulting in OTT platforms' active procurement of various types of videos. One of the most important types of content is animation. As the number of animations made available by domestic and foreign OTT platforms increases, more anime fans are willing to pay and subscribe to these services. However, the majority of animated content available on OTT platforms is in the form of animated series and animated feature films. While there is a high level of domestic production of animated shorts, these short videos are not the preferred content for these platforms. The number of Taiwanese animations available on these platforms is therefore limited, because the number of longer animations made domestically has been low in recent years.

3.3.3. Immersive virtual exhibitions increase demand for animated special effects

In recent years, many cultural performances and exhibitions have shifted to online formats in response to digital convergence and the COVID-19 pandemic. This requires the frequent use of visual animation design, thus fueling the rise in demand for animation special effects. Recently, a number of animation companies have started to branch out beyond animation and diversify their business models, blurring the boundaries of animation content.

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