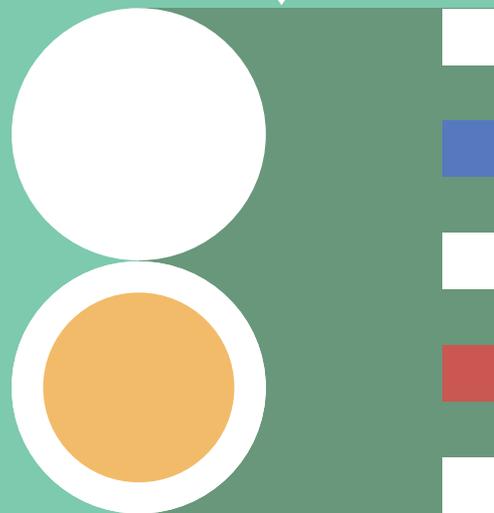
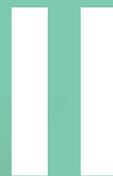




TAICCA



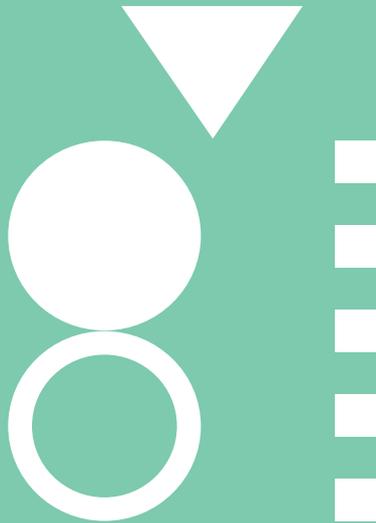
2022 Taiwan Cultural Content Industries Survey Report



Taiwan Cultural Content
Industries Survey Report 2022 Vol. II

Motion Picture • Television • Animation Industries

FOREWORD



01

Scope of the Survey

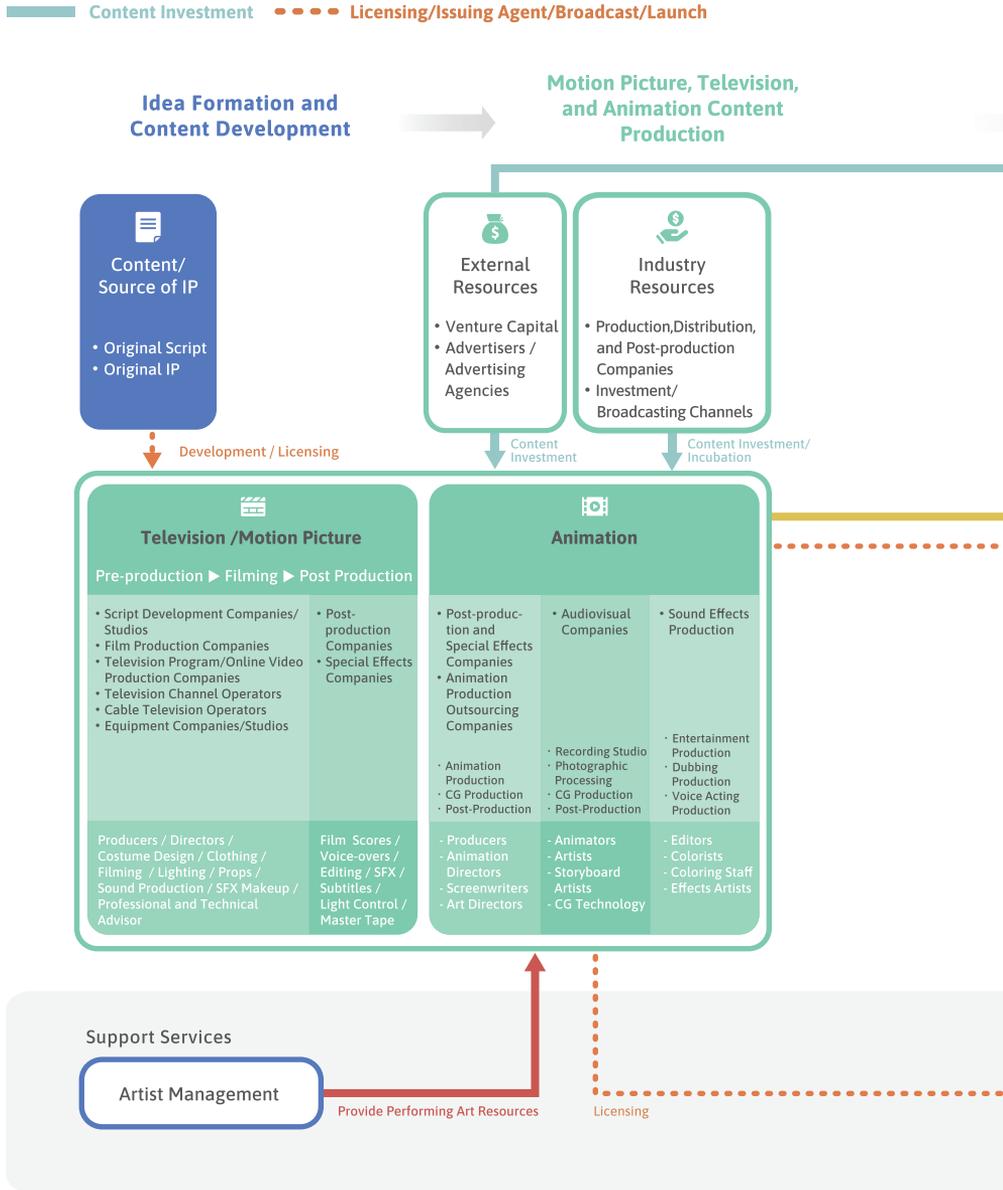
This report was created to accurately reflect the current state of Taiwan's cultural content industry. It provides the government and industry with the latest industry development trends and serves as the foundation for establishing industry development objectives and implementing policies. The Taiwan Creative Content Agency (TAICCA) conducted the Cultural Content Industry Survey Report in 2022, dividing the survey report into four volumes based on industry relevance: "Book, Magazine, Comic, and Character Brand Licensing Industries," "Motion Picture, Television, and Animation Industries," "Popular Music and Radio Industries," and "Gaming and Esports Industries."

This is Volume II of the Cultural Content Industry Survey Report of 2022, which covers the motion picture, television, and animation industries. 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).

The survey subjects in the television industry included different subindustries. The television program production and distribution industry and the online video 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; whereas the television channel industry and television platform industry included companies that were granted a business license by the National Communications

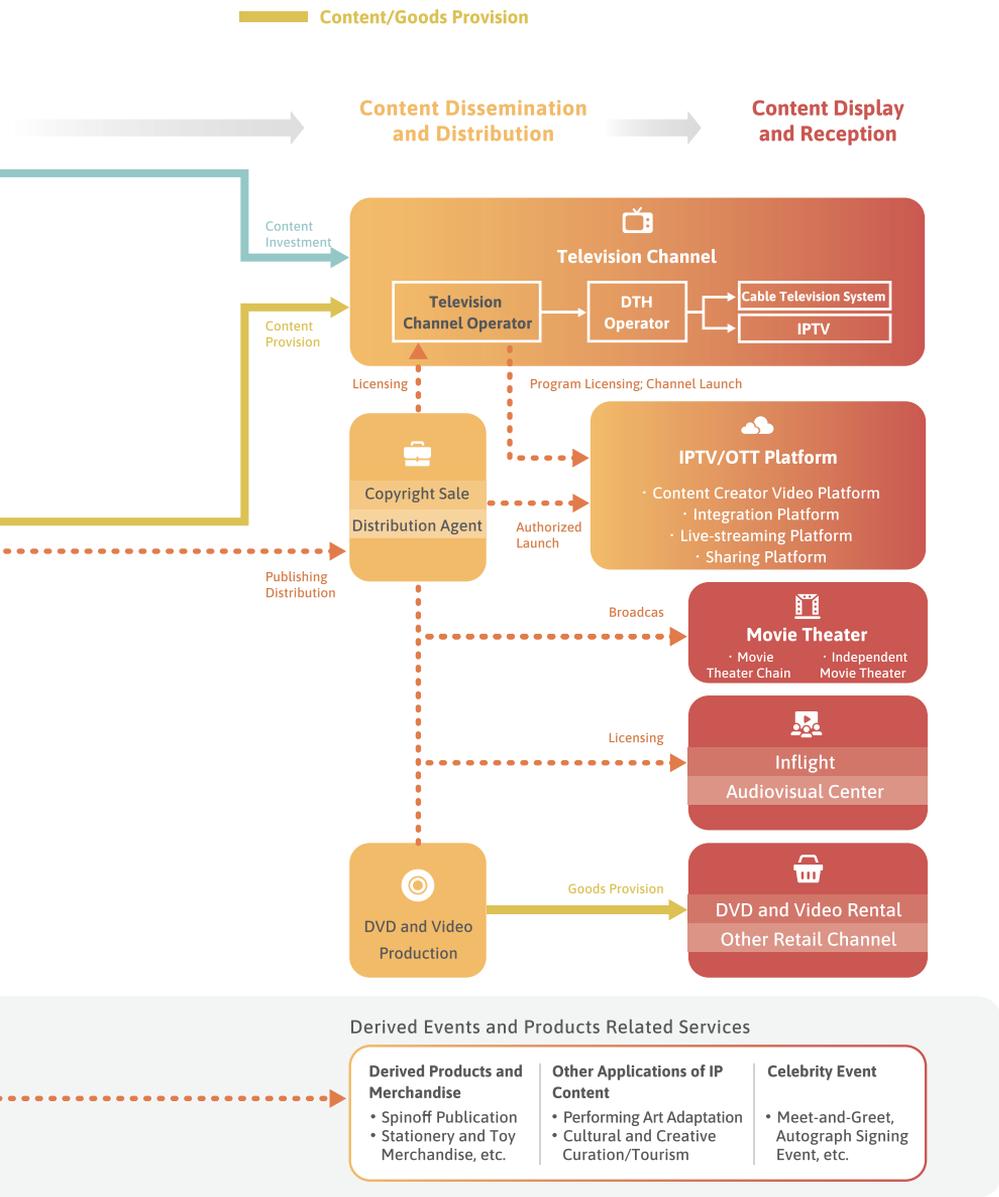
Commission (NCC). In 2021, it was estimated that 743 companies remained active in the television industry, while the digital distribution and broadcast industry consisted of around 21 companies that provided online broadcasting services.

The motion picture industry included four subindustries: 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 had motion pictures distributed in Taiwan in the past five years, there were a total of 531 companies active in the domestic motion picture industry. There were approximately 117 players operating in the animation industry, most of which were original animation companies (including online production) and contract animation production houses.



Source: Organized by this survey study.

Figure 0-1. Industry map for the motion picture, television, and animation industries



02

Chapter Overview

The 2022 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. In addition to 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 TAICCA's previous Taiwan Cultural Content Industry Survey Report Vol. II: Television, Motion Picture, and Animation Industries and adjusted the relevant survey plans in accordance with current digital convergence trends, cross-sector integration and development, as well as relevant fields of interests.

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 the rounding, but it will not affect the interpretation of the data in terms of percentages and totals for each survey item.

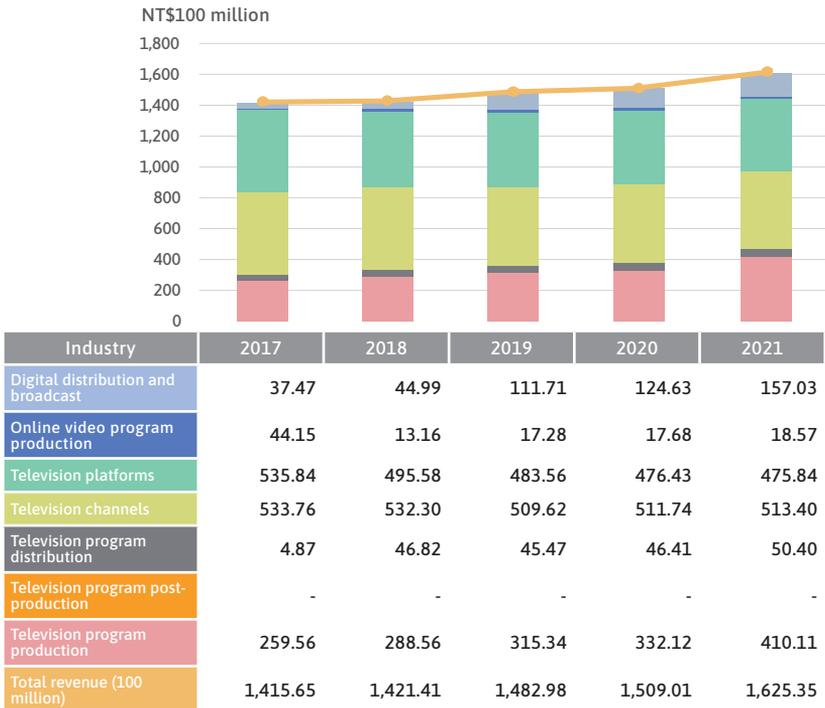
I
SPOTLIGHT



01

Overview of the Television Industry Revenue in Taiwan

The domestic television industry’s total revenue in 2021 was estimated at NT\$162.535 billion, which indicates an increase of 7.71% compared to 2020.



Source: Estimated by this survey.

Notes:

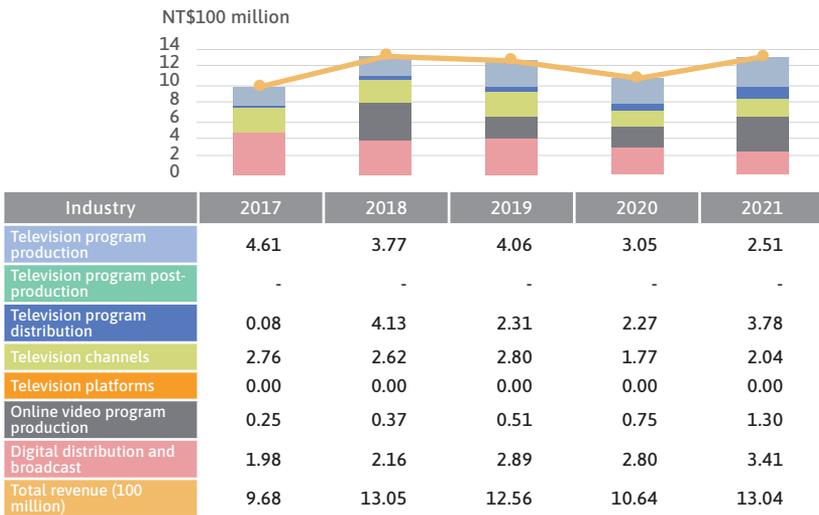
- ① Since the statistical data from the video post-production sector cannot distinguish between television and motion picture post-production, this statistical data has been revised since 2012 due to the Standard Industrial Classification of Taxation, and all relevant data from television program post-production has been incorporated into the motion picture industry.
- ② The total revenue of the digital distribution and broadcasting industry after 2019 was calculated 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.

Figure 1-1. Television industry revenue from 2017 to 2021

02

Export Value of the Television Industry in Taiwan

The export value of Taiwan’s television industry in 2021 was NT\$1.304 billion, a 22.58% rise over 2020. In terms of the export value of several subindustries, only the television program production industry posted a year-over-year decline (-17.70%). In comparison to 2020, the remainder of the subindustries’ export value grew. Based on the descending order of growth rates, they were the online video program production industry (73.33%), the television program distribution industry (66.52%), the digital distribution and broadcasting industry (21.79%), and the television channel industry (15.25%).



Source: Estimated by this survey.

Notes:

- ① Since the statistical data from the video post-production sector cannot distinguish between television and motion picture post-production, this statistical data has been revised since 2012 due to the Standard Industrial Classification of Taxation, and all relevant data from television program post-production has been incorporated into the motion picture industry.
- ② The total revenue of the digital distribution and broadcasting industry after 2019 was calculated 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.

Figure 1-2. Television industry export value from 2017 to 2021

The decline in the television program production industry's exports in 2021 was primarily attributable to overseas trade fairs and exhibitions being held online or in a hybrid form (virtual and physical). In addition, domestic and foreign pandemic prevention measures restricted the travel of industry personnel, which hindered the development of international sales and the planning of cross-border collaborations. Furthermore, recent developments in copyright trading models (for example, production companies can now directly execute global copyright transfers on domestic and foreign OTT platforms) have either caused changes in nominal revenue or affected the statistical calculations of export values. In contrast, the industry's export performance through distribution and broadcasting benefited in 2021 from the outstanding performances of several widely discussed dramas and variety shows, which were either exported overseas through collaboration with international broadcasting terminals or had their copyrights sold. The pandemic had a lesser impact on distribution and broadcast, resulting in a significant increase in export value over the previous year.

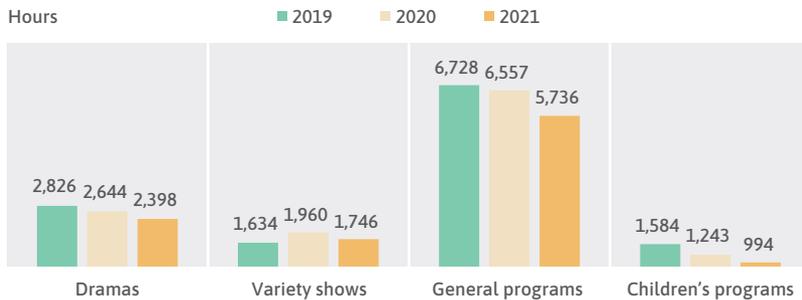
03

Television Program Production Hours in Taiwan

A total of 10,874 hours (calculated based on the broadcasting time of new programs) of television programs were produced in Taiwan in 2021, of which the majority were general programs, accounting for approximately 52.75%, followed by 2,398 hours of dramas (including online-only dramas^①), accounting for 22.05%.

Taiwan's total hours of television programs produced in 2021 declined by 12.34% from 2020. Based on their respective rates of decrease, they were children's programs (-20.02%), general programs (-12.52%), and variety shows (-10.93%). The number of hours of children's programs produced in 2021 decreased significantly compared to the previous year, mainly due to the broadcasting of locally produced shows with short episodes (less than 15 minutes each). In addition, the effects of the pandemic, the rebroadcasting of selected content from old programs in their original time slots, and the adjustment of the operating strategies of television stations from 2020 to 2021 all contributed to the overall change in hours.

^①Online-only dramas refer to dramas that are only available online (mainly in the year analyzed), including original dramas invested in and produced by OTT platforms or dramas that had their exclusive broadcasting rights purchased, such as the *Light the Night* series and *HIStory4: Close to You*.

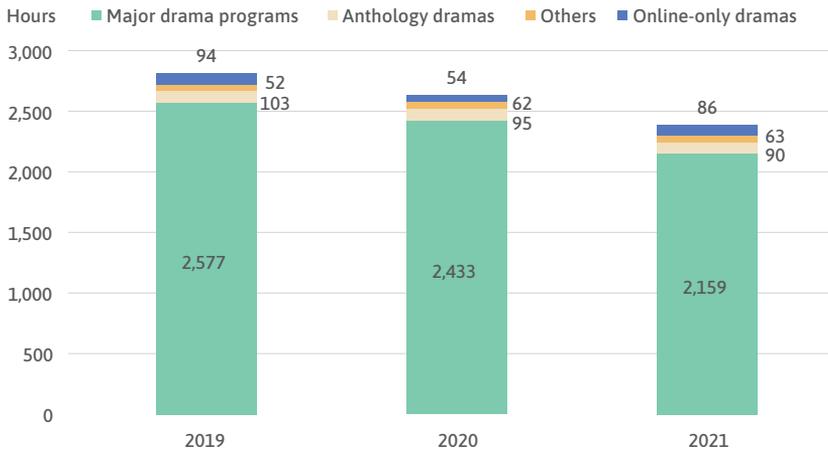


Source:

This survey organized the data from the program schedules of each channel, the PTS 2020 Annual Report, the 21st National Children's and Teenager's Program Selection, the 2021 Hakka TV Annual Report, and the 2021 Public Television Service Foundation Annual Report.

Figure 1-3. Television program production in Taiwan from 2019 to 2021

A total of 2,398 hours (calculated based on the broadcasting time of new programs) of drama programs were produced in 2021, a decrease of 9.30% compared to 2020. Major drama programs (including weekly shows and daily shows but excluding PTS-donated shows) totaled 2,159 hours. “Anthology dramas” (series that utilize stand-alone episodes) totaled 90 hours, while others (including Da Ai Enlightenment of the Zen and Taiwanese opera programs) totaled 63 hours. Online-only dramas totaled 86 hours.



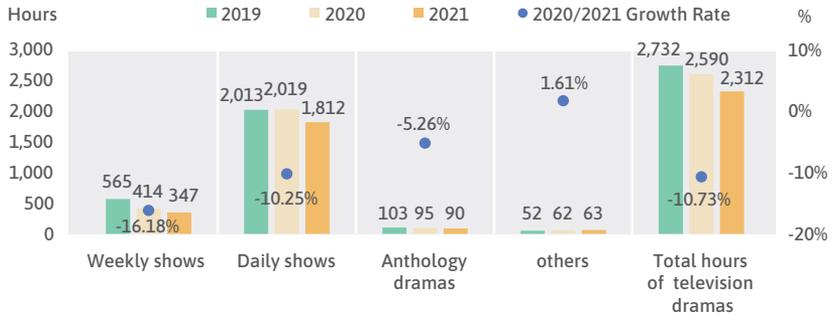
Source: The program schedule of each channel was organized by this survey.

Notes:

- ① “Others” includes Da Ai Enlightenment of the Zen and Taiwanese opera programs.
- ② Drama production hours are calculated based on broadcast time. Only hours for the current year are included into this survey for cross-year productions (2020/2021 and 2021/2022).
- ③ “Anthology dramas” feature stand-alone episodes based on real-life incidents or rural folklore adaptations. This study will henceforth apply the same definition.

Figure 1-4. Comparison of the number of hours of television programs produced from 2019 to 2021

The total number of hours of television drama programs produced in 2021 was 2,312, down 10.73% from the previous year (estimated based on the broadcasting time of new programs and eliminating online-only dramas). The recent increase in production scales, time spent on script development, and actual production periods, as well as the disruption to the shooting schedule and broadcasting progress caused by the pandemic in 2021, resulted in a double-digit decrease in the production hours of weekly and daily shows.



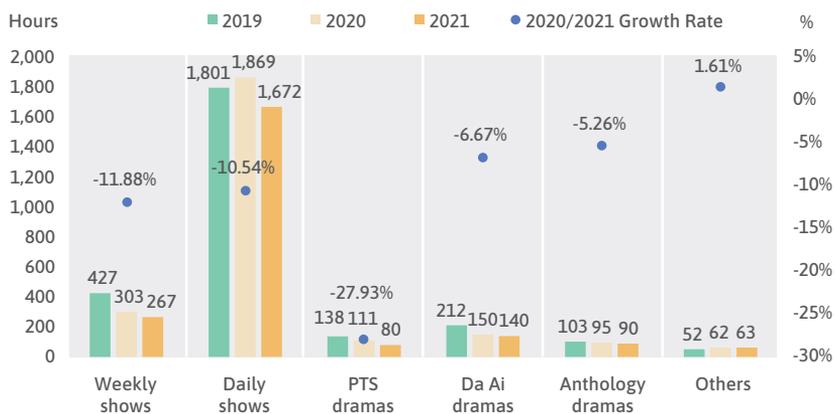
Source: The program schedule of each channel was organized by this survey.

Notes:

- ① “Others” includes Da Ai Enlightenment of the Zen and Taiwanese opera programs.
- ② Drama production hours are calculated based on broadcast time. Only hours for the current year are included into this survey for cross-year productions (2020/2021 and 2021/2022).
- ③ The drama program categories included in this figure are independently categorized and not repeatedly tallied.

Figure 1-5. Changes in the number of hours of television programs produced in Taiwan from 2019 to 2021

In addition, the dramas produced and broadcast by PTS and Da Ai Television were different from those produced and broadcast by general commercial television stations in terms of production purpose, production planning, and actual investment budget, so their production hours were independently presented (calculated based on the broadcasting time of new programs). In 2021, most of the PTS dramas were flagship series like *Seqalu: Formosa 1867*, *Heaven on the 4th Floor*, and *The Magician on the Skywalk*, which cost more to produce and had fewer episodes and airing hours than in previous years.



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

Notes:

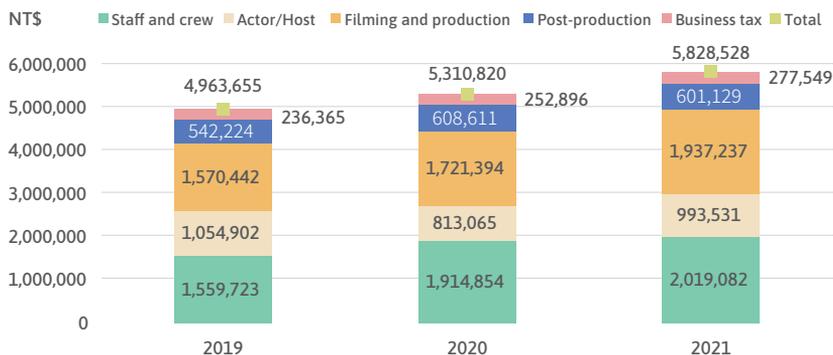
- ① “Others” includes Da Ai Enlightenment of the Zen and Taiwanese opera programs.
- ② PTS drama programs do not include motion pictures, foreign drama programs, donated programs, and audio descriptions, etc.
- ③ Drama production hours are calculated based on broadcast time. Only hours for the current year are included into this survey for cross-year productions (2020/2021 and 2021/2022).
- ④ The number of episodes and hours of various drama program types (weekly shows, daily shows, PTS dramas, and Da Ai dramas) included in this figure are independently presented and not repeatedly tallied.

Figure 1-6. Changes in the number of hours of television programs produced in Taiwan from 2019 to 2021 (PTS dramas and Da Ai dramas independently presented)

04

Program Production Costs for the Television Industry in Taiwan (Dramas and Children's Programs)

According to subsidy data for television drama production from the BAMID of the Ministry of Culture, the average cost of producing a single episode of a general television show or series (with the exception of particularly large-scale productions) in 2021 was NT\$5.8285 million, a 9.75% increase from the previous year. The median cost for a single episode was \$4.7709 million. Furthermore, the production cost of a single episode of a general daily show (such as soap operas) was around NT\$1 million. In terms of changes in specific cost items, the overall filming and production costs have been progressively increasing each year, up 12.54% from 2020. This could be linked to the greater diversity of themes and topics filmed, the improvement in production quality, the industry's recent emphasis on worker rights, the addition of epidemic response teams, and the acquisition of epidemic prevention equipment for production crews.



Source:

Subsidy data for television program production from the BAMID of the Ministry of Culture organized by this survey.

Notes:

- ① The data from 2021 have excluded extremely large productions.
- ② Due to modifications in the planning and implementation of this year's survey study, subsidy data for television drama production from BAMID of the Ministry of Culture could not be collected in full (such as the application data for the second batch of subsidy applications). Consequently, the data for 2021 only includes the initial batch of applications and should be read with caution.

Figure 1-7. Changes in production costs for Taiwan's television drama programs from 2019 to 2021

Table 1-1. Changes in production cost distribution for Taiwan's television drama programs from 2019 to 2021

Range of production costs per episode (NT\$)	Industry distribution		
	2019	2020	2021
Greater than 10 million	9.09%	5.00%	16.13%
Greater than 5 million but less than 10 million	36.36%	41.25%	25.81%
Greater than 4 million but less than 5 million	36.36%	28.75%	41.94%
Greater than 3 million but less than 4 million	9.09%	11.25%	9.68%
Greater than 2 million but less than 3 million	9.09%	8.75%	6.45%
Less than 2 million	0.00%	5.00%	0.00%

Unit: %

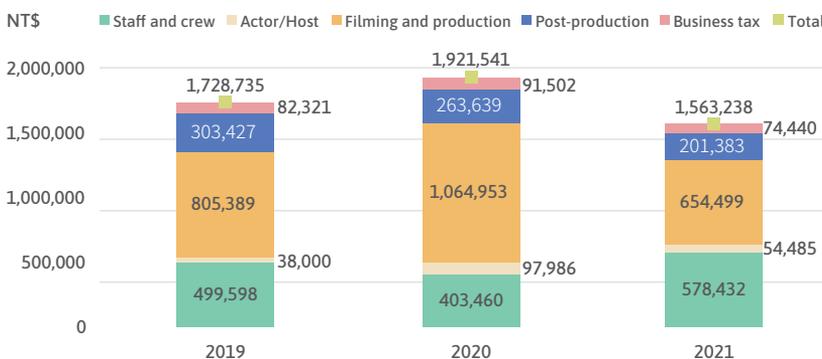
Source:

Subsidy data for television program production from the BAMID of the Ministry of Culture organized by this survey.

Note:

Due to modifications in the planning and implementation of this year's survey study, subsidy data for television drama production from BAMID of the Ministry of Culture could not be collected in full (such as the application data for the second batch of subsidy applications). Consequently, the data for 2021 only includes the initial batch of applications and should be read with caution.

In terms of the shift in production costs for children’s programs, the average production cost for a single episode of a children’s program in 2021 was NT\$1.5632 million, an 18.65% decrease from 2020. The median production cost for a single episode of a children’s program was NT\$810,510. The decrease was caused by an increase in the base period for comparison as a result of more applications for large-budget programs in 2020. Furthermore, the increase in related labor costs resulting from the application for the production of live-action reality children’s programs (with a large number of episodes) in 2021, combined with the impact of the pandemic, led to a reduction in the production budget.



Source:

Subsidy data for children’s television programs from the BAMID of the Ministry of Culture organized by this survey.

Notes:

- ① This section’s data is compiled from the relevant production auxiliary materials announced by the BAMID of the Ministry of Culture. According to the “Key Points for Subsidizing the Production of Children’s Television Programs,” the term “children” refers to individuals under the age of twelve, per Article 2 of The Protection of Children and Youths Welfare and Rights Act.
- ② Due to modifications in the planning and implementation of this year’s survey study, subsidy data for television drama production from BAMID of the Ministry of Culture could not be collected in full (such as the application data for the second batch of subsidy applications). Consequently, the data for 2021 only includes the initial batch of applications and should be read with caution.

Figure 1-8. Changes in production costs for Taiwan’s children’s programs from 2019 to 2021

Table 1-2. Changes in production cost distribution for Taiwan’s children’s programs from 2019 to 2021

Unit: NTD

Production cost per episode	Industry distribution		
	2019	2020	2021
Average production cost	1,728,735	1,921,541	1,563,238
Median	1,435,108	1,235,544	810,469
Maximum	3,500,000	4,635,750	4,133,333
Minimum	418,600	249,900	202,125

Source:

Subsidy data for television program production from the BAMID of the Ministry of Culture organized by this survey.

Note:

Due to modifications in the planning and implementation of this year’s survey study, subsidy data for television drama production from BAMID of the Ministry of Culture could not be collected in full (such as the application data for the second batch of subsidy applications). Consequently, the data for 2021 only includes the initial batch of applications and should be read with caution.

05

Overview of investments by OTT platforms in Taiwan

In 2021, of the 73 new domestic drama programs (calculated by broadcasting time), 27 works (36.99%) were either invested in or purchased by local and international online media platforms. Taiwan Mobile (myVideo) invested the most, followed by GagaOOLala, CHOCO Media (LINE TV), and KKCompany (KKTV). Chunghwa Telecom made its first investment in local drama production by funding *Tavern by the Lethé*.

Table 1-3. Investment distributions for drama programs in 2021

Unit: Number of episodes, %

Source and method of investment	Number of episodes	Proportion of newly produced and broadcast drama in 2021	Notes
Funding by online media platforms	27	Overseas platforms: 24.66% Domestic platforms: 15.07%	Overseas platforms with exclusive worldwide broadcast rights funded a total of six dramas
Funding from public-sector sources	9	12.33%	Including central funds from the Ministry of Culture and the TAICCA, as well as investments from public broadcasting funds and local governments, and so on.
Funding from non-industry businesses	5	6.85%	Cross-sector investments, including venture capital firms and private funds from outside the film and television industries
Funding from offshore investments	7	9.59%	-

Source:

Lists of casts (produced, co-produced, and collaborated) and related news reports compiled and summarized by this survey.

Note:

The table above includes double-counted data because a drama program may receive simultaneous investments from broadcasting platforms, offshore funds, or funds outside of the industry.

In terms of overseas platforms, in addition to iQiyi, WeTV, and ViuTV investing in domestic dramas in 2021, Japanese platforms such as VideoMarket and Rakuten TV provided capital and broadcast channel support. Furthermore, non-industry funding came from a variety of sources, including specialized venture capital firms, other businesses, media advertising groups, and individual investors.

Table 1-4. Investment distributions for drama programs from 2020 to 2021 (Funding by OTT platforms)

Unit: Number of series, %

Year	Participation by OTT platforms		Domestic OTT platform participation		Foreign OTT platform participation		Number of newly produced series that year
	Number of series	Proportion	Number of series	Proportion	Number of series	Proportion	
2021	27	36.99%	18	24.66%	11	15.07%	73
2020	16	21.33%	13	17.33%	3	4.00%	75

Source:

Lists of casts (produced, co-produced, and collaborated) and related news reports compiled and summarized by this survey.

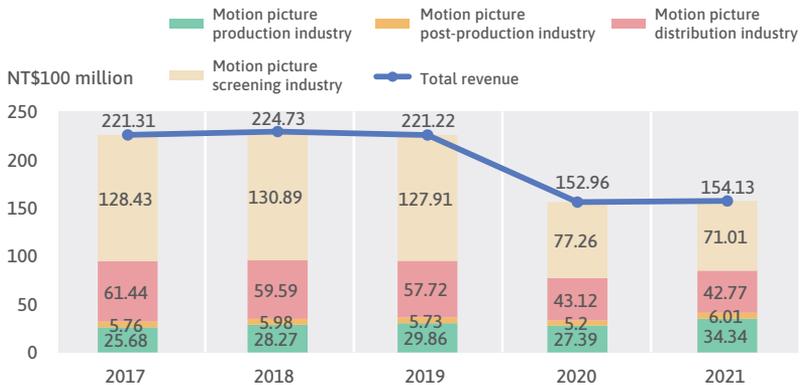
Notes:

- ① Number of series invested in by domestic and foreign platforms: the same series may have simultaneously received funding from domestic and foreign platforms and was therefore only counted once.
- ① The table above includes double-counted data because a drama program may receive simultaneous investments from broadcasting platforms, offshore funds, or funds outside of the industry.
- ① The credits and production list for certain series included both domestic and foreign platforms. This table includes a repeated counting of the number of series in which both domestic and foreign platforms participated.

06

Overview of the Motion Picture Industry Revenue in Taiwan

The total revenue of Taiwan’s motion picture industry was estimated at NT\$15.413 billion in 2021, a slight increase of 0.72% from 2020. Despite the year-over-year increase, the COVID-19 outbreak still impacted every aspect of the industry, which resulted in a significant drop in revenue compared to pre-COVID periods. Subindustries such as the motion picture production and motion picture post-production industries grew by 25.37% and 15.58%, respectively; while the motion picture distribution and screening industries declined by 0.81% and 8.09%, respectively, compared with 2020.



Source: Estimated by this survey.

Figure 1-9. Motion picture industry revenue in Taiwan from 2017 to 2021

07

Export Value of the Motion Picture Industry in Taiwan

The export value of Taiwan's motion picture industry was NT\$421 million in 2021, an increase of 30.75% compared to 2020. This was primarily due to the good performances of recent domestic films such as *Man in Love* and *Till We Meet Again* in overseas markets. Furthermore, international platforms continue to purchase domestic film copyright, which enhances the export performance of the film production and film distribution industries, which have grown by 33.91% and 26.47%, respectively. As the pandemic in several countries slowed and film production resumed in 2021, the post-production and special effects industry was revitalized, with its export value increasing by 12.50%.

Table 1-5. Export value of Taiwan's motion picture industry from 2017 to 2021

Unit: NT\$100 million,%

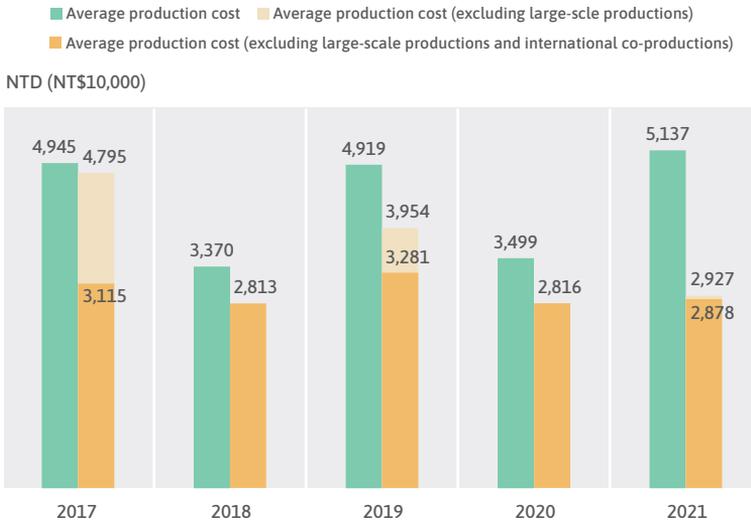
	2017	2018	2019	2020	2021	Rate of change from 2020 to 2021
Motion picture production	2.20	2.81	3.49	2.30	3.08	33.91%
Motion picture post-production	0.20	0.26	0.24	0.24	0.27	12.50%
Motion picture distribution	0.69	0.98	1.09	0.68	0.86	26.47%
Motion picture screening	0.11	0.00	0.00	0.00	0.00	-
Total	3.19	4.05	4.82	3.22	4.21	30.75%

Source: Estimated by this survey.

08

Motion Picture Production Costs in Taiwan

The average production cost of a domestic motion picture was NT\$51.37 million in 2021, a moderate increase compared to the previous year. This was because many domestic films in 2021 were jointly produced with international funding. Excluding these particularly large-scale productions, the average production cost in 2021 was NT\$28.78 million, similar to the previous year. 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.



Source: Summarized by this survey from secondary data.

Figure 1-10. Average production budget of domestic motion pictures from 2017 to 2021

The vast majority of domestic documentaries in 2021 were small productions with budgets of less than NT\$10 million per picture. The majority of dramas had a production budget of less than NT\$50 million, accounting for 71.43% of the total, while those with a budget between NT\$30 million and NT\$50 million accounted for 57.14%. Due to foreign investments, the number of medium-large scale (NT\$60 million to NT\$100 million) and large scale (above NT\$100 million) productions grew compared to the previous year.

Table 1-6. Overview of the production scale (excluding P&A) of domestic motion pictures from 2018 to 2021

		2018		2019		2020		2021	
		A	B	A	B	A	B	A	B
Small scale	≤NT\$5 million	7.14%	33.33%	3.57%	0.00%	0.00%	0.00%	0.00%	20.00%
	>NT\$5 million to ≤NT\$10 million	7.14%	33.33%	10.71%	0.00%	7.14%	66.67%	0.00%	60.00%
	>NT\$10 million to ≤NT\$30 million	17.86%	33.33%	21.43%	100%	42.86%	33.33%	14.29%	20.00%
	>NT\$30 million to ≤NT\$50 million	32.14%	0.00%	28.57%	0.00%	42.86%	0.00%	57.14%	0.00%
Medium scale	>NT\$50 million to ≤NT\$60 million	14.29%	0.00%	17.86%	0.00%	3.57%	0.00%	4.76%	0.00%
Medium-large scale	>NT\$60 million to ≤NT\$100 million	21.43%	0.00%	14.29%	0.00%	0.00%	0.00%	4.76%	0.00%
Large scale	>NT\$100 million	0.00%	0.00%	3.57%	0.00%	3.57%	0.00%	19.05%	0.00%

Source: Summarized by this survey.

The detailed budget allocation of domestic motion pictures revealed that filming accounted for 62.86% of the production budget, followed by post-production (20.32%) and pre-production and development (9.98%). Although the budget for pre-production and development of domestic films decreased marginally in 2021 compared to the previous year, the overall proportion remained larger than in the past. This indicated a stronger emphasis on pre-production, as seen by the changes in related budgetary costs resulting from an increase in the amount of time spent on fieldwork for screenplays and script license fees. Post-production costs have also increased from the prior year, suggesting that domestic motion pictures paid more attention to light adjustments, editing, etc.

Table 1-7. Budget allocation of domestic motion pictures from 2018 to 2021

Unit: %

Year	2018	2019	2020	2021
Pre-production and development	6.59%	4.99%	10.06%	9.98%
Filming/Production	69.14%	75.63%	72.90%	62.86%
Post-production	18.31%	14.38%	11.46%	20.32%
Special effects	5.96%	5.00%	5.57%	6.84%

Source: Summarized by this survey.

09

Overview of the Animation Industry Revenue in Taiwan

The revenue of Taiwan’s animation industry was approximately NT\$6.498 billion in 2021, down 14.83% compared to 2020. A total of approximately NT\$4.835 billion was generated from domestic distribution platforms (including television animation broadcast, animated motion picture distribution, and animated motion picture screening), a decline of 14.29% from the previous year. This was mostly due to the impact of the level 3 epidemic alert and accompanying prevention measures (such as social distancing) on the operations of the screening industry, which affected the primary target audience of animated films and made families less likely to visit cinemas. This resulted in a sharp fall in the domestic box office of animation films and created a ripple effect on the revenue of distribution platforms as a whole.

Approximately NT\$1.663 billion was generated from the core content production industry (including animation production, animation OEM, and animation production and special effects), down 16.35% from the previous year. Within this industry, 50.76% were engaged in both animation OEM and animation production simultaneously, while those that only did animation OEM or animation production accounted for 44.82% and 4.42%, respectively. The proportion of animation production increased year over year.



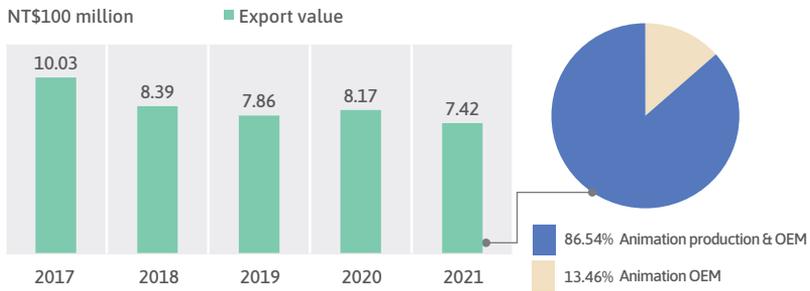
Source: Estimated by this survey.

Figure 1-11. Revenue structure of Taiwan’s animation industry from 2017 to 2021

10

Export Value of the Animation Industry in Taiwan

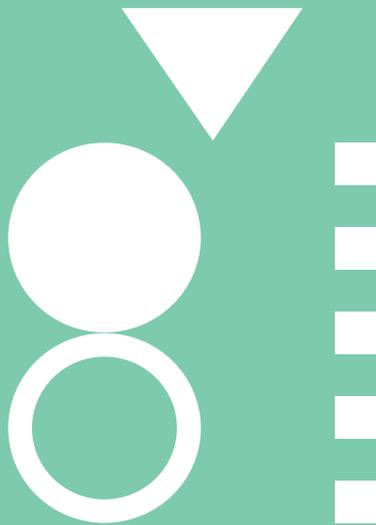
The animation industry’s export value was NT\$742 million in 2021, an increase of 9.18% compared to 2020. Companies that only engaged in animation OEM accounted for approximately 13.46% of the export value, while those that engaged in both animation production and OEM accounted for approximately 86.54%.



Source: Estimated by this survey.

Figure 1-12. Export value and export structure of Taiwan’s animation industry from 2017 to 2021

II OVERVIEW

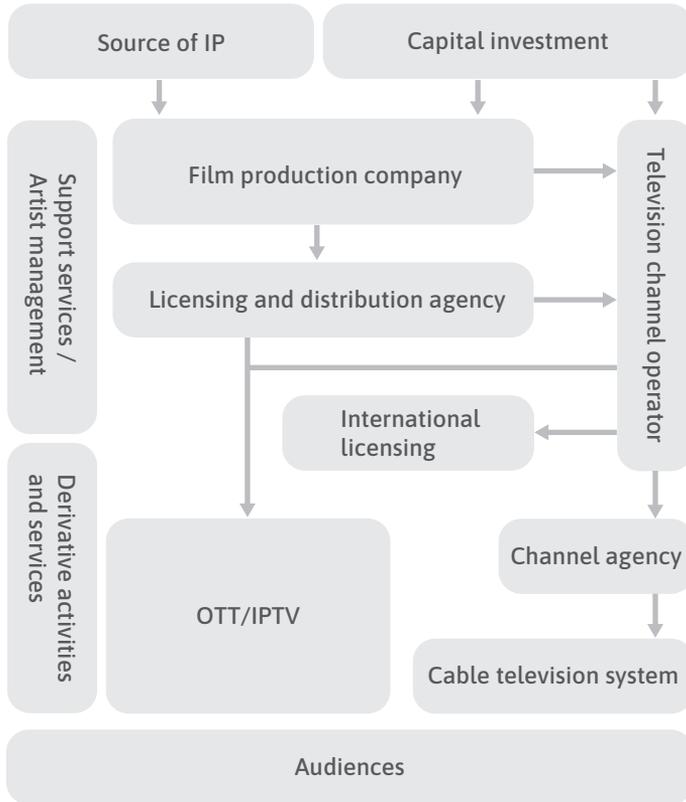


01

Television Industry

1.1. Industry overview

The key production and sales sectors of Taiwan's television industry are content development, content production, post-production, content distribution, and broadcasting. Creative ideas and capital investment are mostly concentrated in the early stages. They are then transferred to the broadcasting side, such as TV channels and OTT/IPTV, through the processes of production and copyright licensing. This industry's economic impact includes the sale of derivative merchandise and additional license applications, etc. Furthermore, the artist management sector provides essential support services for the industry by supplying on-screen talent, such as hosts, actors, and celebrity idols.



Source: Illustrated by this survey study.

Figure 2-1. Taiwan's television industry map

1.1.1.1. Number of companies in the domestic television industry

According to the tax registration data from the Ministry of Finance and the published information from the National Communications Commission, in 2021 there were approximately 1,097 companies in Taiwan’s television industry, up 4.88% from the previous year. The majority of these businesses were in the television content industry (including television program production, post-production, and distribution), with approximately 742 companies, which accounted for 67.64% of the total.

Table 2-1. The number and percentage of companies in the subindustries of Taiwan’s television industry in 2021

Unit: Number of companies, %

Industry	Number of companies	Percentage
TV program production industry	684	62.41%
TV program post-production industry	-	-
TV program distribution industry	58	5.29%
TV content industry	742	67.70%
TV channel industry ②	119	10.86%
TV platform industry ③	64	5.84%
Online video program production industry	146	13.32%
Digital distribution and broadcasting industry	25	2.28%
Total	1,096	100.00%

Source: Fiscal Information Agency of the Ministry of Finance.

② According to the NCC’s Overview of the Telecommunications and Broadcasting Industry, there were 96 satellite television providers and 5 terrestrial television providers as of the fourth quarter of 2021, excluding double-counted enterprises.

③ 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

The majority of companies in the television program production and distribution industry had a capital of less than NT\$5 million, accounting for 47.74% of all companies. 7.24% of the companies had a capital of NT\$100 million or above. New entrants continue to enter the online video program production industry, which is composed of mostly small and medium enterprises (SMEs), with about 60.17% having less than NT\$5 million in capital.

In 2021, the average paid-in capital of television channel operators was NT\$386 million, with the majority being large-scale businesses. The capital of 47.06% of companies was NT\$50 to 100 million, which increased by about 2.71 percentage points compared to 2020. The capital of domestic television platform operators (cable television) 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 EasTone, etc.), television channel operators (e.g., SET TV, FTV, ELTA TV, and TTV), and other OTT TV providers 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. Domestic digital distribution and broadcasting companies' capital scale increased as a result of cross-sector operation by telecommunications and television channel operators, combined with the establishment of advertising-only offices by a handful of OTT platforms, 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 2021

Unit: %

Category	TV program production and distribution industry	Online video program production industry	TV channel industry	TV platform industry	Digital distribution and broadcasting industry	Total
≤NT\$100,000	-	0.85	-	-	-	0.13
100,000~NT\$500,000 (exclusive)	3.39	7.63	-	-	9.52	3.41
NT\$1million~NT\$5million (exclusive)	1.58	5.08	-	-	-	1.70
NT\$5 million~NT\$10 million (exclusive)	42.76	46.61	-	1.56	-	32.11
NT\$10 million~NT\$50 million (exclusive)	21.72	13.56	-	-	-	14.68
NT\$10 million~NT\$50 million (exclusive)	19.91	20.34	14.29	-	9.52	17.17
NT\$50 million~NT\$100 million (exclusive)	3.39	0.85	47.06	1.56	14.29	9.96
NT\$100 million~NT\$500 million (exclusive)	6.56	4.24	24.37	23.44	28.57	11.01
NT\$500 million~NT\$1 billion (exclusive)	0.23	-	4.20	40.63	9.52	4.46
≥NT\$1 billion	0.45	0.85	10.08	32.81	28.57	5.50
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 26,600 in 2021, an increase of 4.13% compared to 2020. The television content industry had a total of 5,982 employees, up 3.36% compared to 2020. The television channel industry had approximately 13,600 employees, up 0.35% from 2020. The television platform operators had approximately 7,072 employees, a 13.05% increase from last year.

Table 2-3. Number of employees in the television industry from 2017 to 2021

Unit: Number of people, %

Industry \ Year	Year					Rate of change from 2020 to 2021	Gender ratio in 2021	
	2017	2018	2019	2020	2021		Male	Female
Television content	4,782	5,204	5,517	5,788	5,982	3.36%	46.86%	53.14%
Television channel	14,169	14,077	13,479	13,535	13,582	0.35%	54.19%	45.81%
Television platform ^④	6,438	6,237	6,350	6,256	7,072	13.05%	62.71%	37.29%
Total	25,389	25,518	25,346	25,579	26,637	4.13%	55.95%	44.05%

Source: Organized and estimated by this survey.

^④ 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

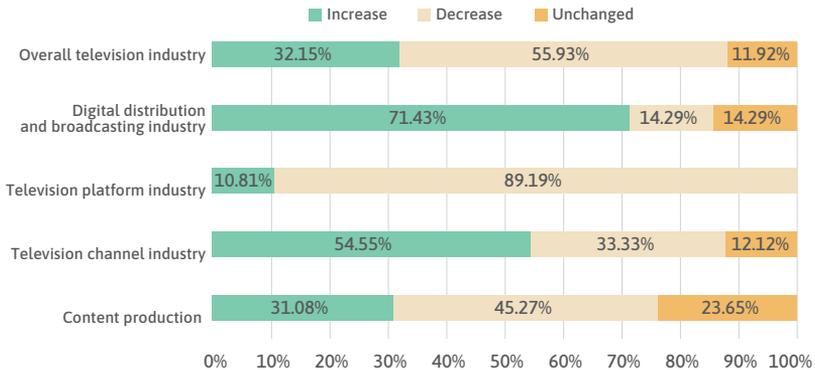
1.2. Revenue and business model

1.2.1. Revenue structure of the year — revenue items

In 2021, 64.96% of Taiwan’s television program production and distribution industry had an annual revenue of less than NT\$10 million, among which, most companies (27.01%) made between NT\$1 and 5 million. The online video program production industry consisted mostly of SMEs, most of which (71.64%) had an annual revenue below NT\$10 million in 2021.

In 2021, 48.39% of television channel operators had annual revenues greater than NT\$100 million, which is comparable to the percentage in 2020. 48.65% of the television platform industry’s revenue ranged between \$100 million and \$500 million. The digital distribution and broadcasting industry is composed of a wide variety of platforms, including original platforms and telecommunications companies that branched into television channel operations, which accentuated the overall revenue gap and resulted in revenues that were predominantly less than NT\$10 million or greater than NT\$200 million in 2021.

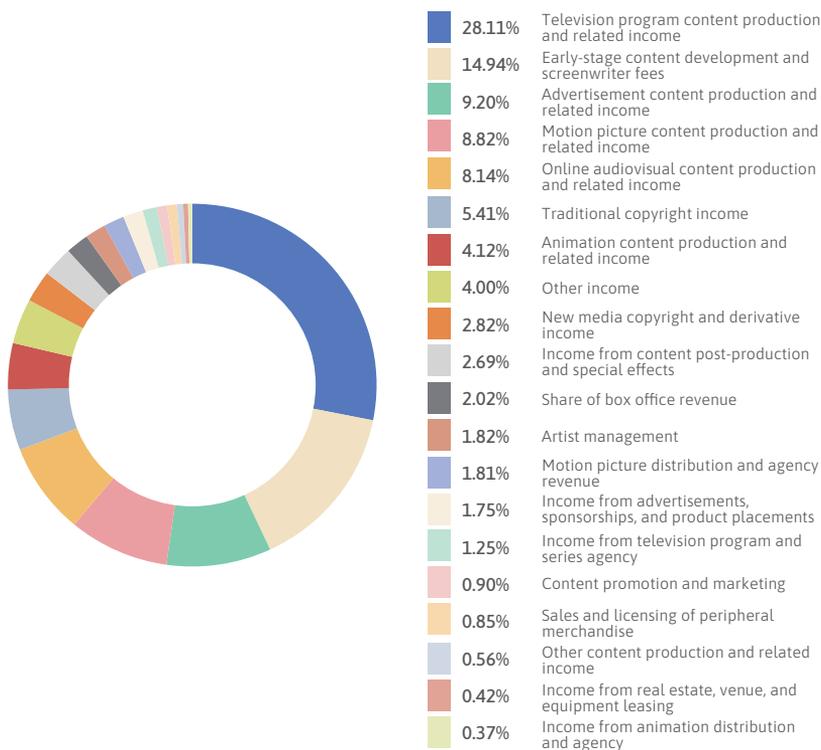
In 2021, 45.52% of the television businesses reported a decline in revenue compared to the previous year. 89.19% of television platforms and 45.27 % of content production houses (television program production and online content production) posted a year-over-year decline, whereas 71.43 % of companies in the digital distribution and broadcasting industry reported an increase in revenue.



Note:
Content production consists of television program production and distribution industry and online video program production industry.

Figure 2-2. Revenue outlook of Taiwan’s television industry operators in 2021

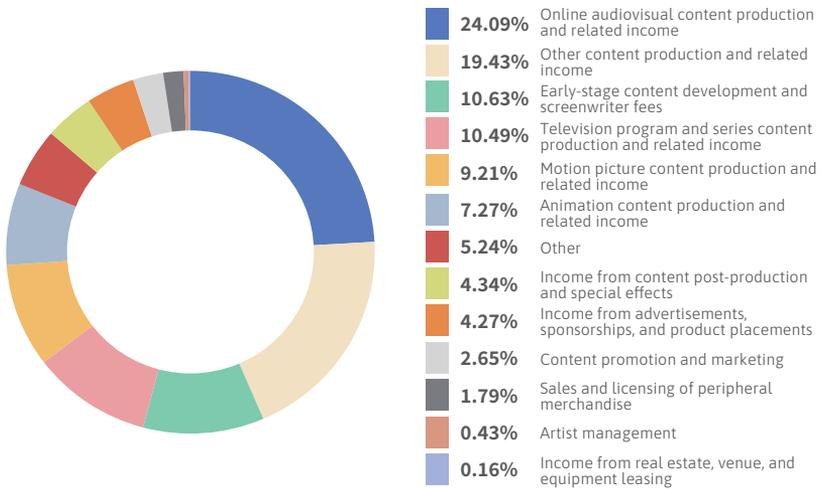
As for the revenue structure of the television program production and distribution industry in 2021, 28.11% of the revenue came from television program content production and related income, while early-stage content development and screenwriter fees accounted for 14.94%. The overall content production and sales revenue (including audio-visual content production and related income, traditional copyright and licensing, new media licensing, advertising, sponsorship, placement marketing, etc.) totaled 68.93%, a decrease of approximately 1.39 percentage points when compared to 2020. In addition, other revenues, including event curation, amounted for 4.00% of the revenue in 2021, an increase over the previous year.



Source: Summarized by this survey.

Figure 2-3. Revenue structure of the television program production and distribution industry in 2021

The revenue of Taiwan’s online video program production industry in 2021 mostly came from content production and related income (including production revenue and copyright fees, etc.), accounting for about 24.09% of the total. This was followed by 19.43% of other content production and related income (such as commercial advertisements).



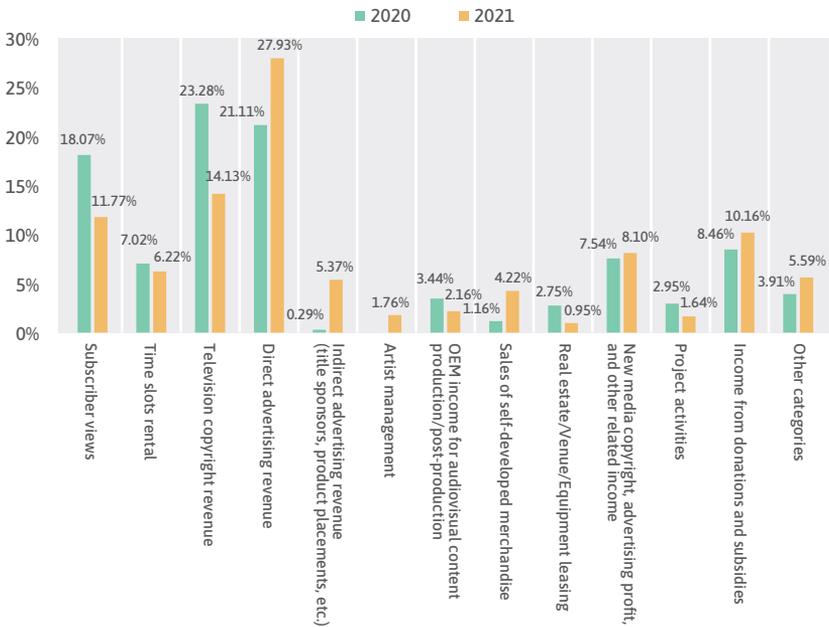
Source: Summarized by this survey.

Figure 2-4. Revenue structure of the online video program production and distribution industry in 2021

In terms of changes to the revenue structure of the television program industry, the drop in the number of cable television subscribers and the increase in the number of viewing options continue to reduce the proportion of total revenue generated from subscriber views to 11.77%. Industry participants actively generated new products and devised broadcast strategies for new media, generating new revenue streams that accounted for 4.22% and

8.10% of overall revenue, respectively. Television copyright revenue (14.13%) also declined compared to 2020, primarily as a result of streaming platforms purchasing the copyrights to program production or the income from copyrights being diluted owing to collaborative production.

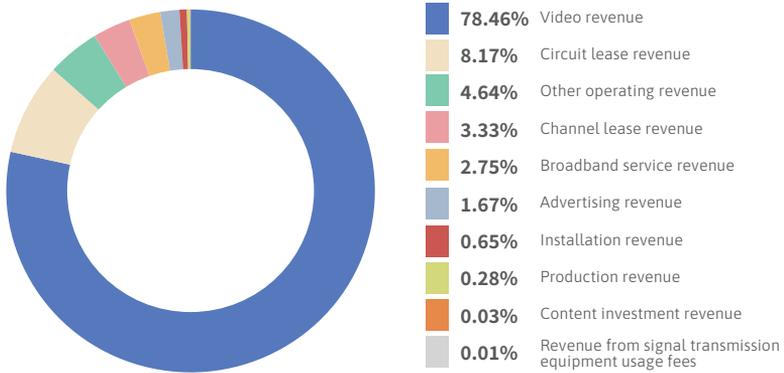
In addition, the advertising market in Taiwan recovered in 2021, and the number of television advertisements placed by advertisers increased compared to the previous year, which had a direct impact on the industry’s overall revenue contribution of direct advertising (27.93%) and indirect advertising (5.3%).



Source: Organized by this survey study.

Figure 2-5. Changes in the revenue structure of the television program industry from 2020 to 2021

Video revenue was the main source of revenue for the television platform industry in 2021, accounting for 78.46% of the total. This was followed by circuit lease revenue (8.17%) and other operating revenue (3.94%). Joint ventures and cooperation between television channel operators and video streaming platforms, as well as value-added services, constituted the majority of other operating revenue. Comparatively, the overall revenue structure was similar to that of the prior year.



Source: Organized by this survey study.

Figure 2-6. Revenue structure of the television platform industry in 2021

In addition, based on the revenue changes of the major cable television companies in different regions, the average net revenue of the industry in 2021 was NT\$606 million, a decrease of 0.98% from 2020.

Table 2-4. Changes in revenue of major cable TV systems in 2021

Unit: NT\$100 million,%

Distribution area	Average net revenue in 2020	Average net revenue in 2021	Revenue change 2020/2021
Taipei, New Taipei, Keelung, and Yilan	479	466	-2.73%
Taoyuan, Hsinchu, and Miaoli	846	812	-4.02%
Taichung, Changhua, and Nantou	795	792	-0.44%
Yunlin, Chiayi, and Tainan	519	508	-2.18%
Kaohsiung and Pingtung	788	722	-
Hualien and Taitung	273		
Overall	612	606	-0.98%

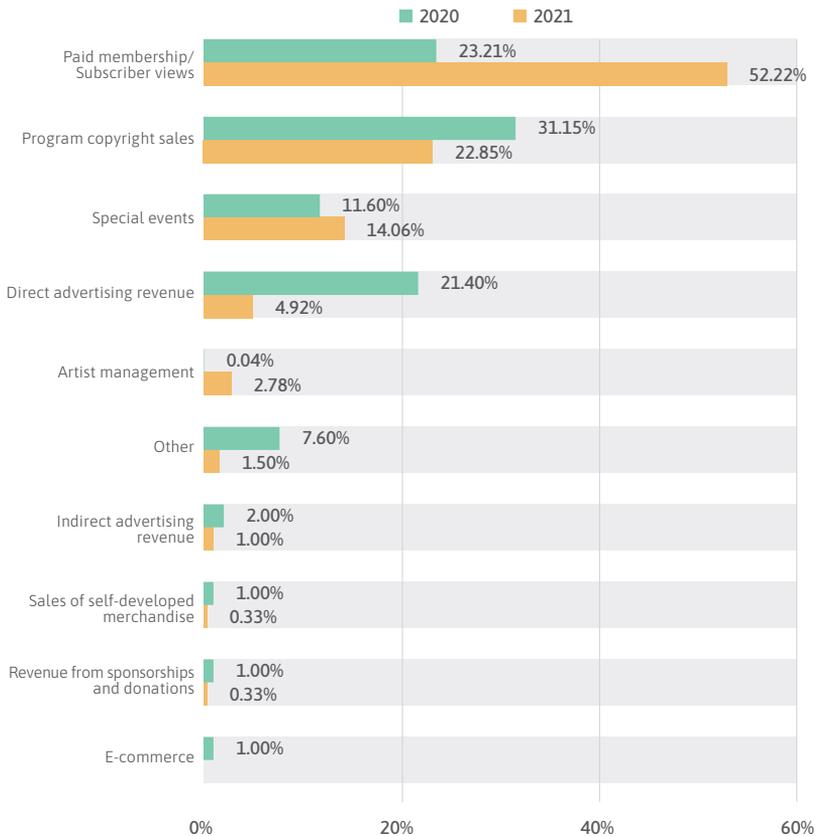
Source:

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

Note:

Since Hualien and Taitung had only one major cable TV system provider, their data were pooled with those of Kaohsiung and Pingtung.

The revenue structure of the digital distribution and broadcasting industry in 2021 was impacted by a boost of consumption of entertainment and willingness to adopt digital learning amid the pandemic. Furthermore, the provision of broadcast, on-demand replays of international events by streaming platforms also boosted the number of paid membership / subscriber views by 29.01 percentage points compared to 2020 and accounted for 52.22% of the revenue. This was followed by revenue from program copyright (22.85%), special events (14.06%), and direct advertising (4.92%).

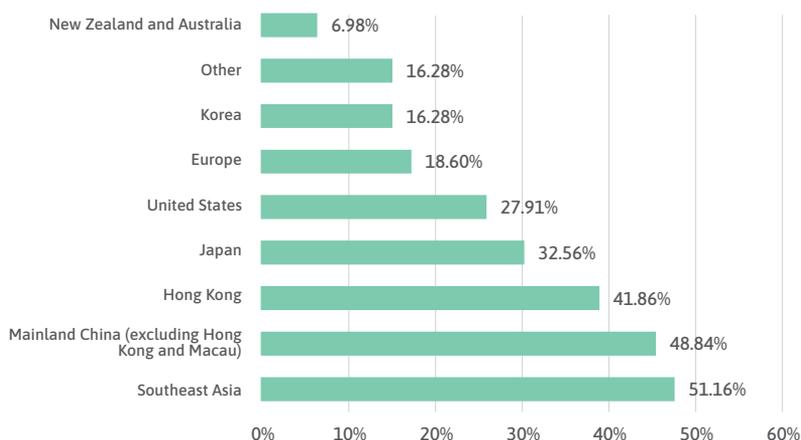


Source: Organized by this survey study.

Figure 2-7. Revenue structure of the digital distribution and broadcasting industry in 2021

1.2.2. Regions and overview of overseas revenue

The overseas revenue for the major exporters of television programs and online audio-visual content (television channels, television program production and distribution, and online program production companies) in 2021 came mainly from Southeast Asia (51.16%), a 1.16 percentage point increase over the previous year; followed by China (excluding Hong Kong and Macau), which accounted for 48.84% of the overseas revenue and declined by 7.83 percentage points over 2020. In the past, the majority of this industry's overseas revenue came from Mainland China; however, Southeast Asia became the primary source in 2021. This could be linked to the competitive nature of the Chinese content market and the country's policy shifts.

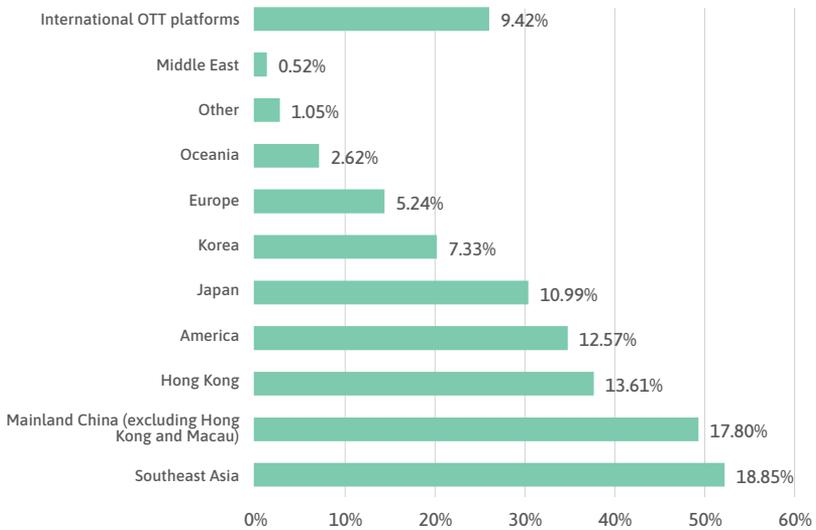


Source: Organized by this survey study.

Figure 2-8. Sources of Taiwan's television content overseas revenue by country in 2021 (number and percentage of companies)

In 2021, the television channel, television program production and distribution, as well as online video program production industries licensed mainly to Southeast Asia (18.85%). In addition to the main trading countries in Southeast Asia markets with predominantly Chinese speaking markets such as Singapore and Malaysia, Taiwanese companies also increased cooperation with markets in Indonesia, Vietnam, and Myanmar.

Furthermore, licensing transactions between the television channel, television program production and distribution, as well as online video program production industries and international OTT platforms declined slightly. Industry operators indicated that this could be attributed to the impact of the pandemic on the copyright transaction plans. Additionally, recent changes in copyright transaction models have led some content operators and international platforms to diversify their negotiations on the release of content as well as the scope of their broadcasting regions (e.g., global exclusive, specific regional broadcast, or Taiwan-only); transactions may thus take the form of investments instead of the purchase of copyrights.

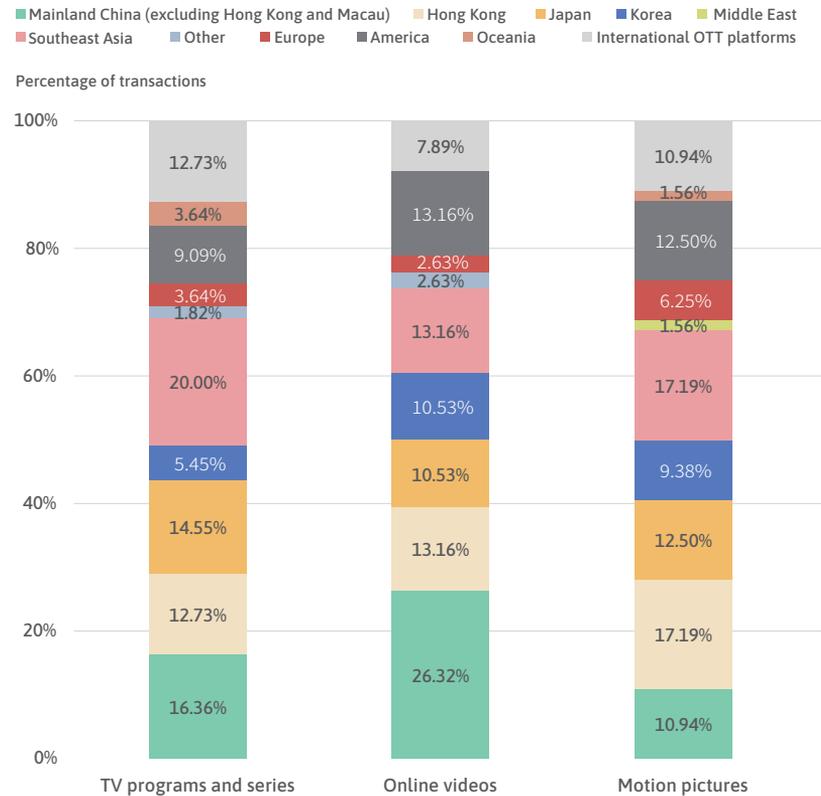


Source: Organized by this survey study.

Figure 2-9. Licensed regions of Taiwan's content in 2021 (percentage of transactions)

The content production sector of the television industry (television program production and distribution and online video production) mainly licensed television programs and series to Southeast Asia (20.00%), followed by China (excluding Hong Kong and Macau and accounting for 16.36% of the total), and Japan (14.55%). When it came to online video content, licensing was mostly done in China (excluding Hong Kong and Macau), which made up 26.32% of the total; but it also spread to the American markets, which made up 13.16% of the total.

When it came to the copyright of film content made by the television industry, Hong Kong and Southeast Asia (17.19%) were the main licensing regions, while 10.94% of the industry players mainly licensed to international OTT platforms.



Source: Organized by this survey study.

Figure 2-10. Licensed regions of different types of content in 2021 (percentage of transactions)

In 2021, 47^⑤ domestic new dramas were broadcast overseas via streaming platforms and foreign television stations, representing 64.38% of the total number of newly produced and broadcast dramas. Among the dramas broadcast internationally, 40.43% were aired on television channels (including overseas channels managed by Taiwanese operators), and the broadcast regions were primarily Chinese-speaking markets like Malaysia, Singapore, and Hong Kong.

In recent years, an increasing number of drama programs have increased their exposure in Southeast Asia and other countries by partnering with foreign streaming platforms, accounting for around 59.47% of the programs broadcast overseas. In addition to entering the Chinese market via Tencent, Youku, or iQiyi, North American broadcasts were made available via Rakuten Viki and the domestic platform GagaOOLala. As for the Japanese market, these drama programs were brought to it with the help of VideoMarket and RakutenTV.

Table 2-5. Overseas broadcast status of domestic series in 2021

Title	Domestic premiere channel	Broadcast region
Golden Years*	FTV Terrestrial Channel	Malaysia, Brunei, and Singapore
Under One Roof*	TTV Main Channel and SL2	Malaysia and Brunei
Piggy's Counterattack	SL2	Vidol available countries
Girl's Power Season 12	TVBS-G and TVBS E!	Hong Kong, Macau, Philippines, Singapore, Malaysia, Indonesia, and Australia
Girl's Power Season 10		
Girl's Power Season 11		
Girl's Power Season 9		
Girl's Power Season 8*		
Born Into Loving Hands*	TTV Main Channel	Malaysia and Singapore
Proud of You*	SET	Malaysia, Brunei, Singapore, Vietnam, and YouTube available regions
Here Comes Fortune Star*	SL2 and CTS Main Channel	Malaysia and Vidol available regions

⑤ The method used to calculate the number of series in this table was based on the cast list of each drama, dividing the same drama into many seasons and counting them separately. According to its cast roster, Light the Night was split into three seasons, and two of those aired in 2021.

Title	Domestic premiere channel	Broadcast region
Golden City*	FTV Terrestrial Channel	Malaysia and Brunei
FOKELORE Season 2	HBO and HBO GO	22 HBO available regions in Asia
The Arc of Life	GTV Drama and iQiyi International	Mainland China, Malaysia, and South Korea
Sometimes When We Touch	GTV Drama	Hong Kong
Rainless Love in a Godless Land*	CTS Main Channel	iQiyi International available regions and Mainland China
Love is Science?	TTV Main Channel	Rakuten Viki platform available regions
Danger Zone	iQiyi International and VideoLand Movie Channel	iQiyi International available regions, Singapore, and Hong Kong
Trinity of Shadow	CATCHPLAY+, HBO, and HBO GO	22 HBO available regions in Asia, Hong Kong, and Japan
Who's By Your Side	HBO, and HBO GO	22 HBO available regions in Asia
The Making of an Ordinary Woman 2	CTS Main Channel and CATCHPLAY+	Singapore
The Devil Punisher*	TTV Main Channel	Netflix available regions
Mother to be*	SL2	Malaysia, Brunei, Singapore, North America, and Vidol available regions
Magic Moment*	TVBS-G	iQiyi International available regions
Wacko At Law*	EBC Drama	Mainland China, 6 HBO available regions (Philippines, Indonesia, Vietnam, Myanmar, Laos, Macau), and Rakuten Viki Platform available regions (Europe, America, India, Australia, and New Zealand)
Adventure of the Ring*	HBO	Malaysia
Who Killed the Good Man	PTS Main Channel and Netflix	Hong Kong and Macau
Tears on Fire	PTS Main Channel and myVideo	Hong Kong, Singapore, Malaysia, and Brunei
The Summer Temple Fair	PTS Main Channel and LINE TV	Malaysia and Brunei
Seqalu: Formosa 1867	PTS Main Channel	Taiwan+ available regions
Gold Leaf	PTS Main Channel	Indonesia and Singapore
Island Nation 2	YouTube	YouTube available regions
20 Years Promise	Asia Momentum Media	AMM available regions (Hong Kong, Singapore, and Malaysia)

Title	Domestic premiere channel	Broadcast region
HIStory 4: Close To You	LINE TV and Viu	Hong Kong and Singapore
Be Loved in House: I Do	Vidol and KKTV	Japan, Hong Kong, Macau, Vietnam, Thailand, Philippines, and Rakuten Viki platform available regions
See You After Quarantine?	KKTV	Japan
We Best Love Season 1	WeTV	WeTV available regions and Japan
We Best Love Season 2		
Dear Uranus	YouTube	YouTube available regions
Papa & Daddy	GagaOLala	GagaOLala available regions, Japan, Korea, Thailand, Brazil, Portugal, Argentina, Mexico, Columbia, Spain, and Philippines
Fragrance of the First Flower		GagaOLala available regions, Philippines, Portugal, Spain, Japan, and Korea
Innocent: The Series		GagaOLala available regions
Call It What You Want		GagaOLala available regions, Japan, Philippines, Thailand, Brazil, Portugal, Argentina, Mexico, Columbia, and Spain
The Pond	myVideo	Netflix available regions
Light the Night Season 1	Netflix	Netflix available regions
Light the Night Season 2		
More Than Blue: The Series	Netflix	Netflix available regions

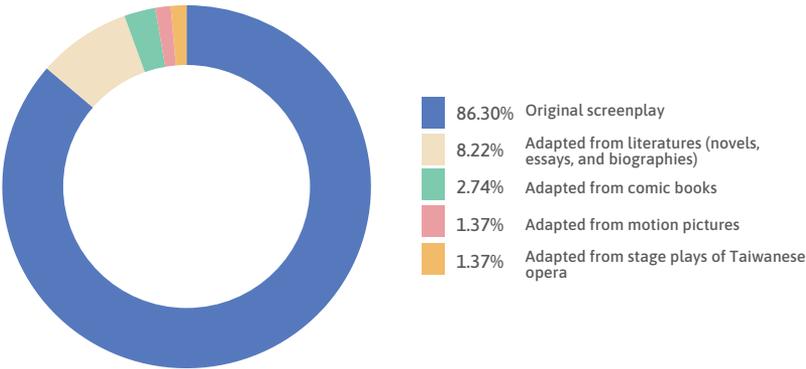
Source: Summarized by this survey (as of May 31, 2022).

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.
- ④ The domestic premiere channels listed in this table refer to the platforms on which the series is first publicly broadcast.

1.3. IP licensing trends

In terms of intellectual property licensing for domestic drama content, 73 new programs were produced and broadcast in 2021. Nearly 90% of these programs had original screenplays, while 8.22% were adapted from literary works, and 2.74% were adapted from comic books. Due to the integration of marketing resources from LINE Group, web comic adaptations of *The Summer Temple Fair* were released during the broadcast period of the drama, thereby drawing a wider variety of customer groups. In Taiwan, dramas based on existing texts or those that generated subsequent derivative authorizations had a per-episode production cost of more than NT\$5 million. *Tavern by the Lethe*, for example, produced a large number of episodes at an average cost of around NT\$ 3.33 million per episode.



Source: Illustrated by this study.

Figure 2-11. Sources of Taiwan’s drama screenplay in 2021

Table 2-6. Topics and IP extensions of Taiwan’s drama content in 2021

Unit: NTD (NT\$10,000)

Item	Name of drama content	Type of IP application	
		Source of IP before adaption	IP authorization/ derivatives
1	The Magician on the Skywalk	Novel	Comic book
2	More Than Blue: The Series	Film	-
3	Seqalu: Formosa 1867	Novel	Art exhibition and scripted online immersive game
4	Danger Zone	Novel (China)	Drama novel
5	Island Nation 2	Original screenplay	Board game
6	The Arc of Life	Comic (Japan)	-
7	Adventure of the Ring	Novel	-
8	The Making of an Ordinary Woman 2	Essay	Drama novel
9	The Summer Temple Fair	Comic	Web comic
10	Tavern by the Lethe*	Stage play of Taiwanese opera	-
11	Gold Leaf / Biography	Biography	Screenplay novel and exhibition

Source: Compiled and organized by this study from subsidy list and news reports.

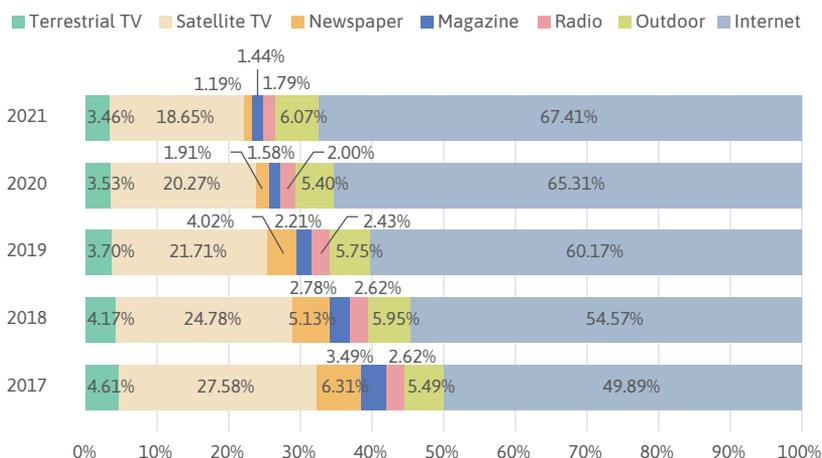
Note: The dramas marked with an asterisk were cross-year-broadcast series.

1.4. Industry observation indexes

1.4.1. Changes in media advertising volume

In 2021, advertising expenditures across all media in Taiwan reached approximately NT\$80,744 billion, a 9.27% rise from 2020. Traditional television media, such as terrestrial television (7.09%), satellite television (0.53%), and outdoor advertising (22.73%), recovered in the second half of 2021 due to the revival of the advertising market. Comparatively, newspaper (-31.86%), radio (-2.46%), and magazine (-0.62%) continued their downward trends but were less pronounced than the previous year.

In 2021, terrestrial television advertising accounted for NT\$2.79 billion, while satellite television advertising totaled NT\$15.060 billion. The proportion of advertising on television comprised 22.11% of the total advertising across all media.

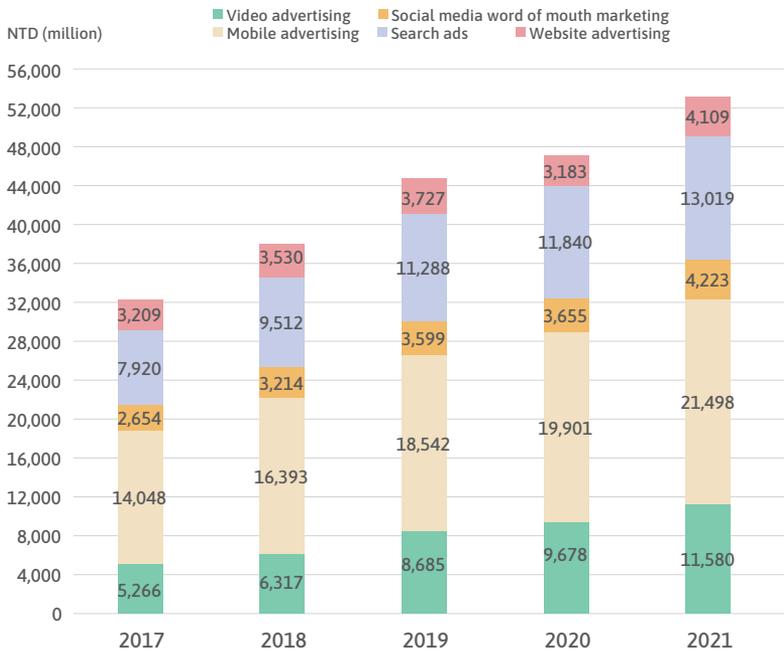


Source: Summarized from the 2022 Media Book, Media Agency Association (MAA).

Figure 2-12. Distribution of media advertising in Taiwan from 2017 to 2021

The amount of online advertising in Taiwan reached NT\$54.428 billion in 2021, a 12.79% increase from 2020. The growth was more pronounced than the previous year due to the rise in advertising revenue from large international platforms. The total amount of online advertising accounted for nearly 70% of all media.

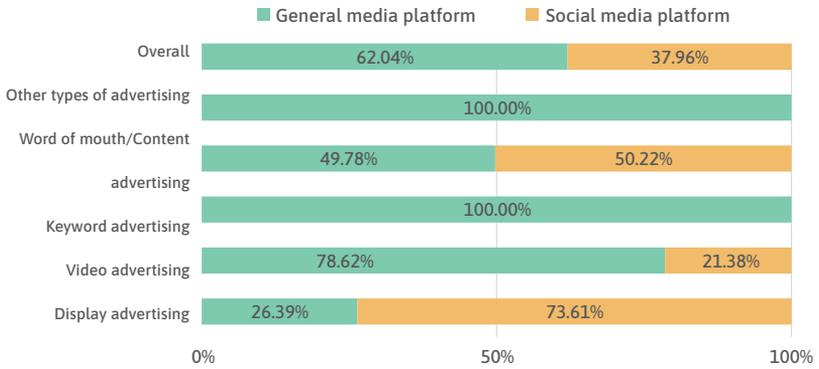
In 2021, the growth rates of sub-category advertisements increased across all categories compared to the previous year. Among them, video advertising profited from contentization in recent years and the influence of celebrity live-streaming, resulting in a growth of 19.65% compared to 2020 and a total expenditure of NT\$11.580 billion.



Source:

Summarized from Taiwan Digital Advertising Statistics Report 2021, Digital Marketing Association (DAA).

Figure 2-13. Growth of online media advertising in Taiwan from 2017 to 2021



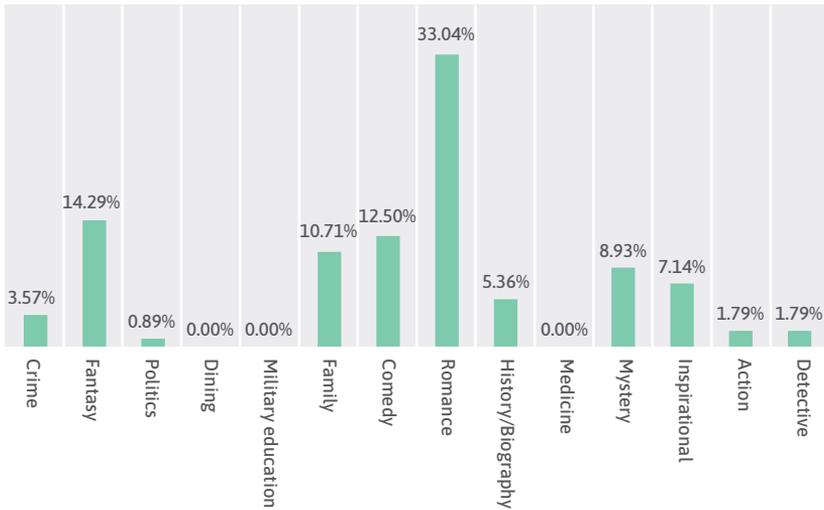
Source:

Summarized from Taiwan Digital Advertising Statistics Report 2021, Digital Marketing Association (DAA).

Figure 2-14. Percentage of online advertising on each media platform in 2021

1.4.2. Analysis of domestic television drama genres

In 2021, the most popular genres of domestic television dramas^⑥ were romance (33.04%) and fantasy (14.29%), partly due to the inclusion of science fiction, folk stories, and mythology elements in several shows. Two examples were *The 2049 Series* and *Rainless Love in a Godless Land*. In addition, works that tackled family themes, such as *The Making of an Ordinary Woman 2* and *The Summer Temple Fair*, gained prominence that year.



Source: The program schedule of domestic and overseas channel summarized by this survey.

Notes:

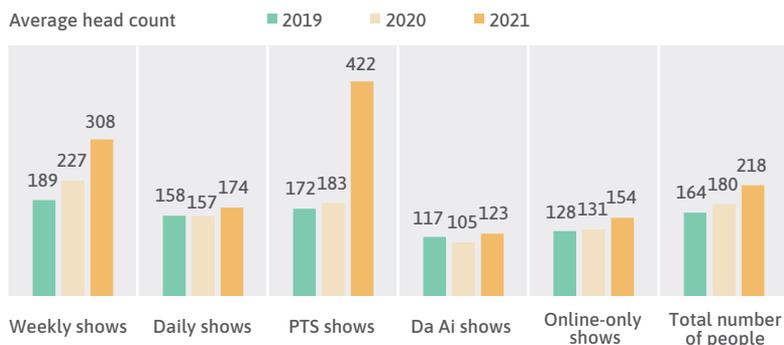
- ① The naming of the types of dramas referenced the categories from the British Film Institute. Newly added categories include military life, medical, food, politics, and martial arts.
- ② This survey manually determined the newly produced dramas in 2021. Each drama may be categorized under a maximum 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).

Figure 2-15. Topics and elements of domestic dramas (including online-only series) produced in 2021

⑥ The calculation for the number of productions was based on TV dramas that premiered in 2021, which totaled 73, including cross-year productions. The number of new productions was 60.

1.4.3. Overview of manpower for program production

The the average production manpower^⑦ per series (including actors^⑧ but excluding extremely large productions) for newly produced dramas in 2021 was 218, up 20.88% from 2020. This was mostly due to the usage of temporary/extra actors in a variety of dramas with varying themes, which led to an increase in the overall production scale.



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

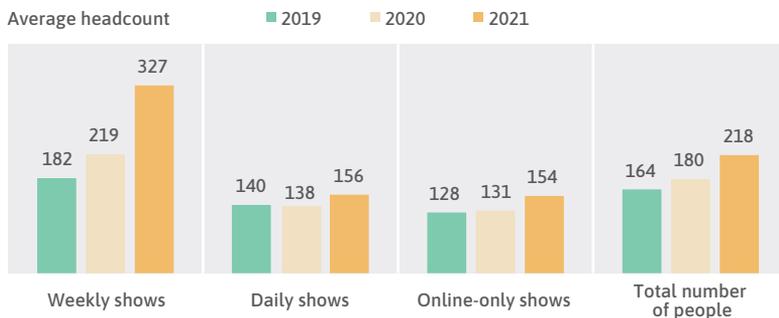
Notes:

- ① This figure was compiled using the categories of weekly shows, daily shows, PTS shows, Da Ai shows, and online-only shows. Each category's series were not counted multiple times.
- ② Due to industry developments in 2021 and the inclusion of online-only shows (exclusive broadcast on online platforms) for common comparison, the total average number of production personnel (including actors) in 2019 and 2020 was omitted from the calculation of online-only shows.

Figure 2-16. Average production manpower (including actors; PTS and Da Ai shows independently shown) of domestic television series from 2019 to 2021

⑦ The total production manpower calculated in this table was based on the credit list at the end of each drama program, covering manpower involved in early-stage content development, mid- and post-production, publicity and distribution, etc.

⑧ Included in the calculation of the manpower (including actors) were the main cast, cameo cast, and extras. In recent years, as a result of the broadening of themes, production budgets, and production scales, the number of actors featured in the cast list of each drama expanded dramatically, leading to an increase in the number of production personnel in the business.



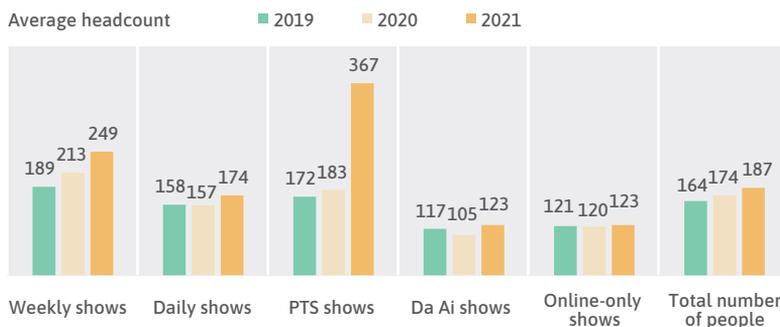
Source: Summarized by this survey from the list of actors and staff of each program.

Notes:

- ① This figure was compiled using the categories of weekly shows, daily shows, PTV shows, Da Ai shows, and online-only shows. Each category's series were not counted multiple times.
- ② Due to industry developments in 2021 and the inclusion of online-only shows (exclusive broadcast on online platforms) for common comparison, the total average number of production personnel (including actors) in 2019 and 2020 was omitted from the calculation of online-only shows.

Figure 2-17. Average production manpower (including actors) of domestic television series from 2019 to 2021

In addition, after deducting temporary/extras, the average total number of production manpower in 2021 (excluding extremely large productions) was 187, an increase of 20.11% compared to 2020.

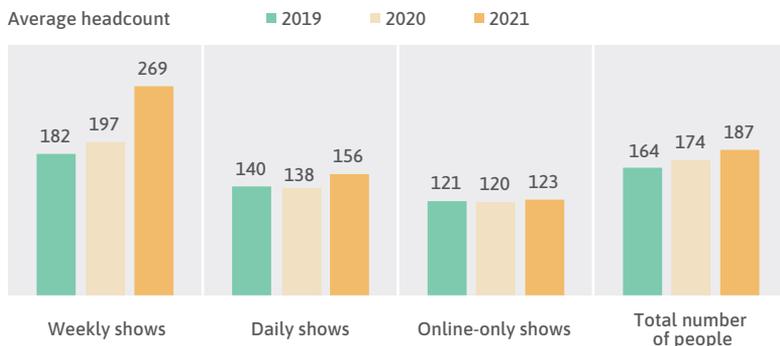


Source: Summarized by this survey from the list of actors and staff of each program.

Notes:

- ① This figure was compiled using the categories of weekly shows, daily shows, PTV shows, Da Ai shows, and online-only shows. Each category's series were not counted multiple times.
- ② Due to industry developments in 2021 and the inclusion of online-only shows (exclusive broadcast on online platforms) for common comparison, the total average number of production personnel (including actors) in 2019 and 2020 was omitted from the calculation of online-only shows.

Figure 2-18. Average production manpower (including actors but excluding extras; PTS and Da Ai shows independently shown) of domestic television series from 2019 to 2021



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

Notes:

- ① This figure was compiled using the categories of weekly shows, daily shows, PTV shows, Da Ai shows, and online-only shows. Each category's series were not counted multiple times.
- ② Due to industry developments in 2021 and the inclusion of online-only shows (exclusive broadcast on online platforms) for common comparison, the total average number of production personnel (including actors) in 2019 and 2020 was omitted from the calculation of online-only shows.

Figure 2-19. Average production manpower (including actors but excluding extras) of domestic television series from 2019 to 2021

Table 2-7. Changes in media of total manpower in domestic drama productions from 2019 to 2021

Unit: persons

Year	Weekly shows	PTV shows	Daily shows	Da Ai shows	Online-only shows	Total
2019	189	161	157	108	122	153
2020	202	197	161	110	118	161
2021	275	696	161	119	161	184
2021 (excluding extras)	205	517	161	119	127	167
Year	Weekly shows (including PTV)	Daily shows (including Da Ai)	Online-only shows	Total		
2021	295	155	161	184		
2021 (excluding extras)	260	155	127	167		

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

Notes:

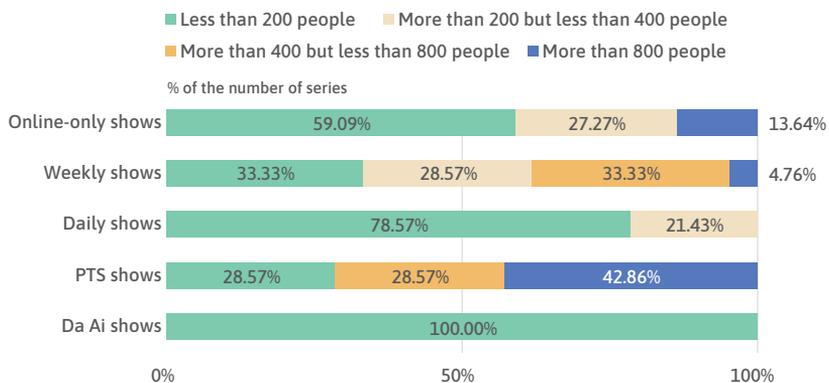
- ① Online-only shows were included in the calculation for production manpower from 2019 to 2021.
- ② The computation of manpower shown in this table was based on the credit list at the end of each drama program, including manpower involved in early-stage content development, mid and and post-production, publicity and distribution.
- ③ This figure was compiled using the categories of weekly shows, daily shows, PTV shows, Da Ai shows, and online-only shows. Each category's series were not counted multiple times.
- ④ Due to industry developments in 2021 and the inclusion of online-only shows (exclusive broadcast on online platforms) for common comparison, the median of the total number of production personnel (including actors) in 2019 and 2020 was omitted from the calculation of online-only shows.

Among the various types of drama programs in 2021, Da Ai shows (100%) and daily shows (78.57%) had programs with an average production manpower (including actors^⑨) of less than 200. PTS had an overall production manpower of more than 800 people per show due to the broadcast of flagship series like *Seqalu: Formosa 1867*, *The Magician on the Skywalk*, and *Heaven on the 4th Floor*, which relied on a large number of extras and crowds in addition to post-production staff (including those involved in early stage development, mid- and post-production, special effects, marketing, and distribution).

In terms of weekly shows, nearly 40% (38.10%) of the programs had more than 400 people in production, mainly due to the introduction of overseas resources for some episodes of weekly dramas, such as *Danger*

⑨ Ibid.

Zone, Trinity of Shadow, Sometimes When We Touch, and The Arc of Life. The 2049 Series, which was jointly invested in by streaming platforms and television channels, also had a higher number of production workers compared to previous years. As for online-only shows, due to the relatively flexible nature of their productions, there were significant differences in the scale of production manpower. Large-scale productions, with a production scale of more than 800 people, were mainly the *Light the Night* series and *More Than Blue: The Series*.



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

Note:

Extremely large productions were included because the headcount was displayed in the form of range intervals.

Figure 2-20. Average production manpower (including actors) of domestic television series in 2021 – according to the number of people

The rising trend of investing in the production and broadcasting of series, along with the market demand for higher-quality content, resulted in the employment of a much larger number of actors. However, regardless of the number of people involved in a production, there was a growing emphasis on the crucial function of post-production. Similarly, productions with more than 400 individuals have expanded their expenditure on artistic personnel.

Table 2-8. Manpower (including actors) allocation for series productions in 2021 - according to the number of people

Unit: average headcount

Production scale and manpower	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	Equipment	Average number of people
Less than 200 people	19	1	9	7	8	3	7	7	5	14	4	4	7	36	2	2	134
More than 200 but less than 400 people	28	1	12	12	13	6	16	10	4	32	7	7	10	93	3	3	258
More than 400 but less than 800 people	39	1	13	14	12	4	42	20	5	86	14	17	21	232	16	3	541
More than 800 people	56	1	15	18	28	6	101	36	6	103	17	16	27	594	45	8	1,077

Source:

Summarized by this survey from the list of actors and staff of each program (including online-only shows).

Table 2-9. Manpower (including actors but excluding extras) allocation for series productions in 2021 - according to the number of people

Unit: average headcount

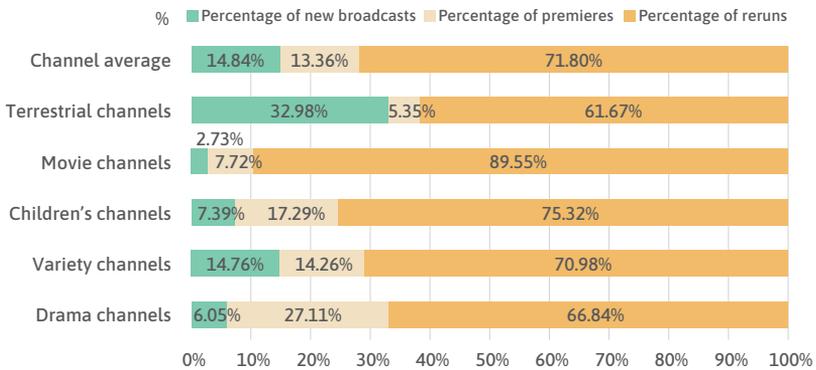
Production scale and manpower	Planning/Production	Coordination	Director/Screenwriter	Filming	Lighting/Grip	Sound production	Art	Costume design	Editing	Post-production	Soundtrack	Opening and closing credits/Outtakes/Previews/Stills and behind the scenes	Marketing/Promotion	Actor	Specialized skills/Stunts/Martial arts	Equipment	Average number of people
Less than 200 people	19	1	9	8	8	3	8	7	4	14	4	5	8	33	1	2	134
More than 200 but less than 400 people	33	1	13	14	14	5	22	11	4	55	11	9	9	65	6	3	278
More than 400 but less than 800 people	53	1	15	14	18	5	78	31	6	61	17	15	29	125	27	5	499
More than 800 people	49	1	13	25	31	7	114	46	6	182	12	26	40	88	71	11	722

Source:

Summarized by this survey from the list of actors and staff of each program (including online-only shows).

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

In terms of the ratio of new broadcasts, premieres, and reruns on various channels, the average ratio of new broadcasts on domestic television channels decreased by 0.42 percentage points between 2020 and 2021, to 14.84%. Compared to the previous year, the number of new broadcast hours on children’s channels decreased by nearly 40% (-39.87%), while the proportion of new broadcasts fell by 5.24 percentage points. In addition, the proportion of rebroadcasts climbed significantly from 67.13% in 2020 to 75.33% in 2021.



Source: Summarized from the NCC open data.

Notes:

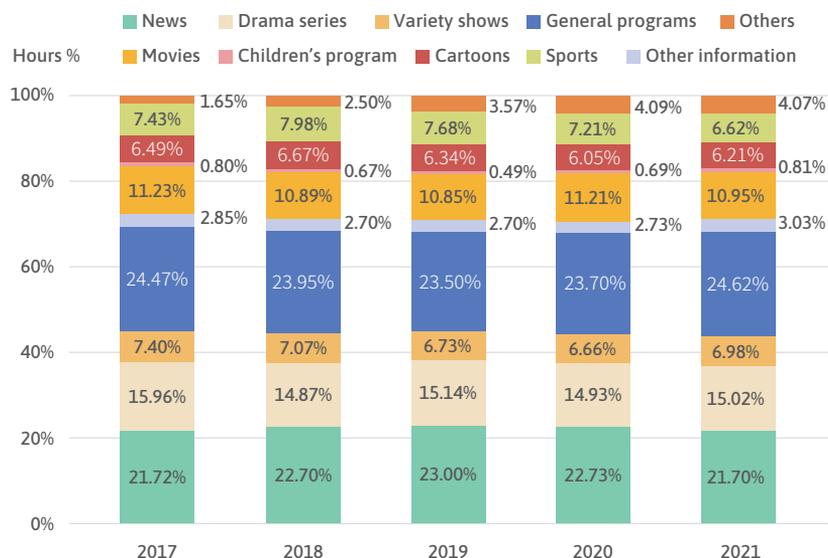
① Among the types of channels analyzed by this survey, satellite television channels mainly consisted of cable TV systems. Drama channels included EBC Drama Channel, Videoland Drama Channel, and GTV Drama Channel. Variety channels included CTi Entertainment, CTi Variety, GTV One, GTV Variety, SET Taiwan, 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.”

Figure 2-21 .Ratios of new broadcasts, premieres, and reruns on Taiwan’s television channels in 2021

1.4.5. 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 in 2021 were general programs ^⑩, news, drama series, movies ^⑪, variety shows ^⑫, sports, and cartoons ^⑬. General programs (24.62%) and variety shows (6.98%) mainly benefited from the popularity of reality shows in 2021, such as the first and second seasons of the cooking show *Cooking*, the first to third seasons of the sports competition show *All Star Sports Day*, and the music talent show *THE RAPPERS*, helping the broadcast hours and overall proportion of general and variety shows to grow from 2020.



Source: Nielsen.

Figure 2-22. Distribution of different types of programs broadcast at all hours in Taiwan from 2017 to 2021

^⑩ 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.

^⑪ "Movies" include domestic and foreign motion pictures as well as European and American series.

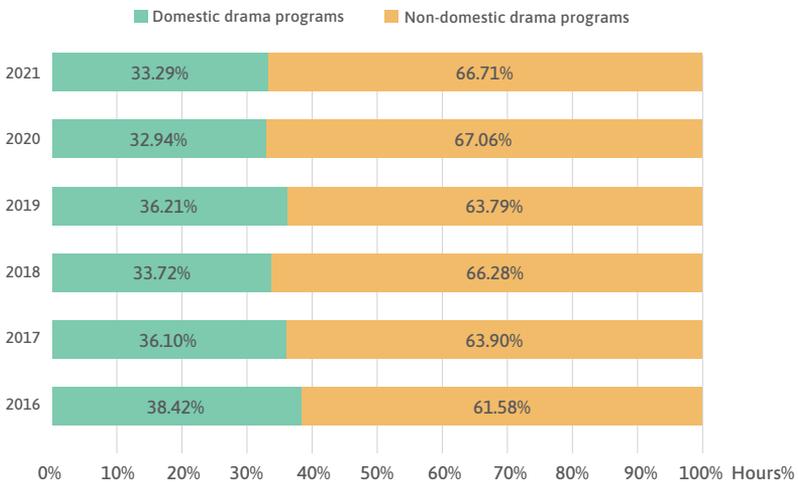
^⑫ The definition of a variety show for this year differed from last year's definition. Based on the Nielsen classification, this year's variety shows include entertainment, music, and competition variety shows.

^⑬ "Cartoons" include both children's cartoons and anime for teenagers.

1.4.6. Television drama broadcasting overview

A total of 93,241 hours of television programs were broadcast in 2021, a decrease of 2.59% compared to 2020. Taiwanese dramas (including Taiwanese Mandarin dramas, Taiwanese Hokkien dramas, Taiwanese Mandarin and Taiwanese Hokkien anthology dramas, and Taiwanese Hakka dramas) had an overall decline of 1.55% compared with 2020, totaling 31,040 hours and accounting for 33.29% of the total hours of television dramas broadcast. This was due to streaming platforms' participation in investments and the purchase of locally produced drama programs, as well as the acquisition of exclusive broadcasting rights.

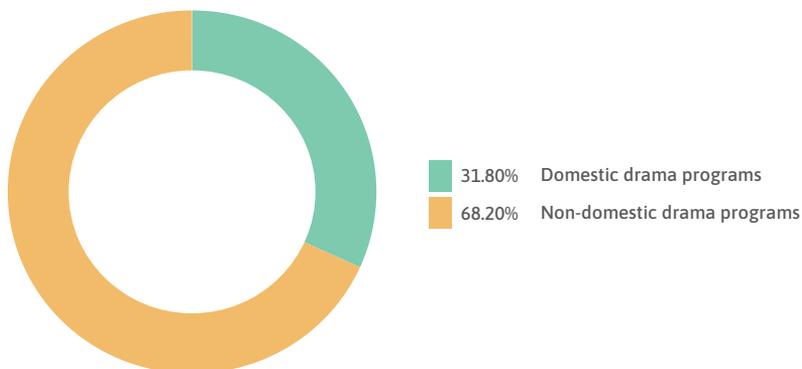
The total number of broadcast hours for non-domestic dramas was 62,202 in 2021, a 3.09 percent reduction from 2020. However, Japanese and Korean dramas still saw an increase compared to the previous year. This was primarily due to television station operators adjusting their broadcasting strategies, such as opening the weekday 10 p.m. slot for Korean dramas and showing classic Japanese series that were less available on streaming platforms.



Source: Nielsen.

Figure 2-23. Distribution of different types of programs broadcast at all hours in Taiwan from 2016 to 2021

In 2021, domestic television dramas aired for a total of 12,987 hours during prime time (20:00–21:59) ¹⁴. During prime time, 4,130 hours of Taiwanese dramas (including Taiwanese Mandarin dramas, Taiwanese Hokkien dramas, Taiwanese Mandarin and Taiwanese Hokkien anthology dramas, and Taiwanese Hakka dramas) were broadcast, representing 31.80% of all prime time programming.



Source: Nielsen.

Note:

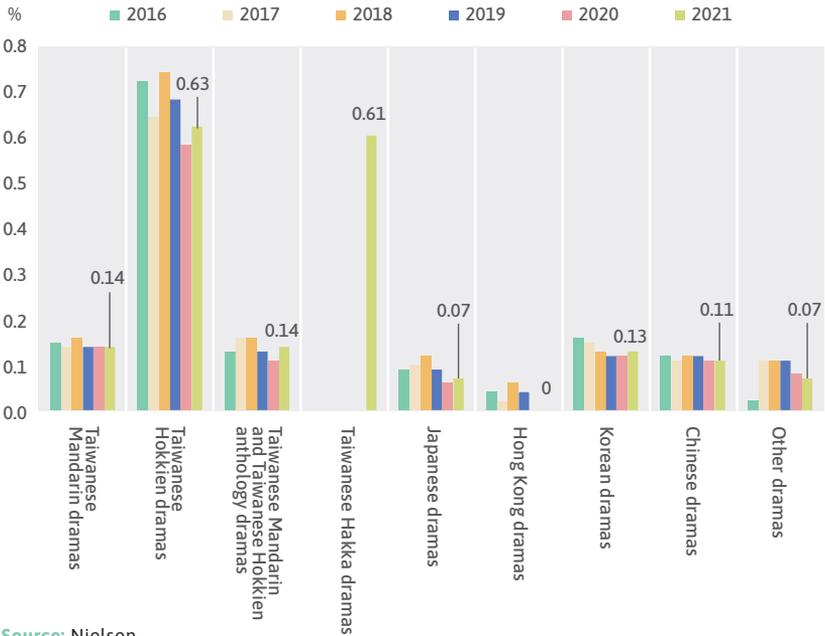
According to the NCC's Regulations on Satellite Broadcasting Program Supplier Broadcasting Domestically-Produced Programs, the prime time hours have been changed to 8–10 p.m. this year. Therefore, only information from the current year is shown.

Figure 2-24. Broadcast hours of drama programs during prime time in 2021

¹⁴ The NCC announcement defined prime time as 20:00–21:59.

1.4.7. Overview of drama ratings in Taiwan

In 2021, the viewership ratings of dramas in different languages were highest for Taiwanese Hokkien dramas, at 0.63%, and Taiwanese Hakka dramas, at 0.61%. The ratings for Taiwanese Mandarin and Taiwan Hokkien anthology dramas increased to 0.14% in 2021 due to an increase in viewership from those aged 40 to 55. In contrast, the performance of Taiwanese Mandarin dramas, Korean dramas, and Chinese dramas was nearly the same as in 2020, while the performance of other dramas decreased to 0.07% compared to 2020.



Source: Nielsen.

Notes:

- ① The Nielsen TV ratings for 2020 did not include data on Taiwanese Hakka dramas and Hong Kong dramas; the 2021 ratings did not include data on Hong Kong dramas.
- ② This figure followed the definition of written terms in each language in the “2022 National Languages Development Plan” and revised the titles of dramas in various languages. Among them, the original “Mandarin dramas” was revised to “Taiwanese Mandarin dramas”, the original “Hokkien dramas” was revised to “Taiwanese Hokkien dramas”, and the original “Mandarin-Taiwanese anthology dramas” was revised to “Taiwanese Mandarin and Taiwanese Hokkien anthology dramas.” The original “Hakka and other dramas” was revised to “Taiwanese Hakka and other dramas.”

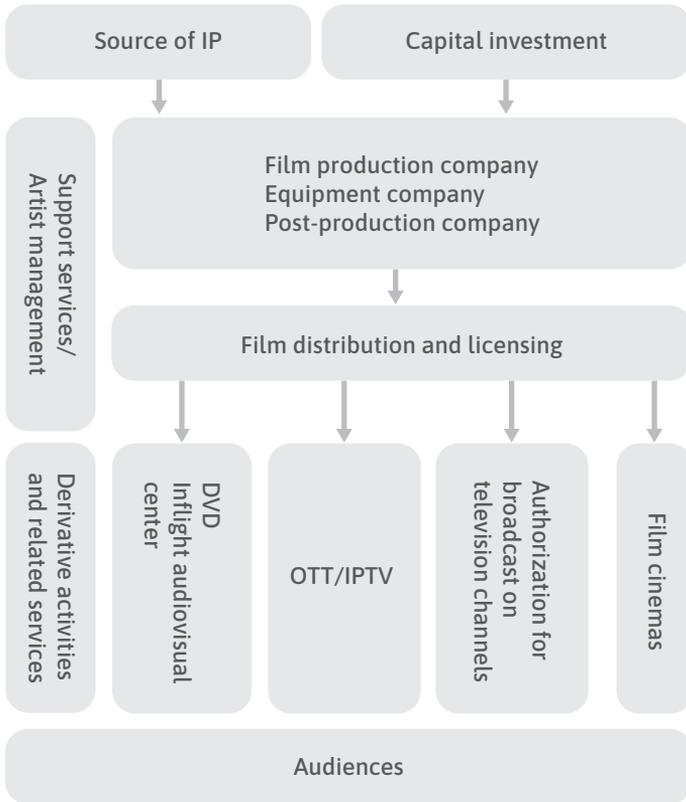
Figure 2-25. Average ratings of dramas by language and country from 2016 to 2021

02

Motion Picture Industry

2.1. Industry overview

Taiwan's motion picture industry's production and sales sectors are broadly separated into content production, distribution/licensing, and screening. Pre-development and post-production are both aspects of content creation. Distribution agents then schedule films in domestic and foreign cinemas, as well as other broadcast channels (such as OTT platforms, TV channels, and so on). The industry has an economic impact due to broadcasting, but it also generates services such as peripheral merchandise, tourist attractions, and additional authorizations for derivative applications.



Source: Illustrated by this survey study.

Figure 2-26. Illustrated by this survey study.

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 2021 was 2,296, which was an increase of 13.10% from the previous year. In terms of subindustries, there were 1,794 companies involved in motion picture production, accounting for 78.14% of the total number of businesses and showing an increase of 14.71%. The second biggest subindustry was motion picture post-production and special effects (including equipment rental), which increased by 17.78% compared to last year. This was mostly due to the increasing trend to produce horror or detective stories on screen, which increased demand for post-production and special effects, resulting in the growth of related industries.

Furthermore, the number of motion picture distribution companies fell in 2021, due to the lingering impact of the COVID-19 pandemic on the domestic distribution market, which forced a number of companies to suspend operations or go out of business.

Table 2-10. Number and percentage of companies in the subindustries of Taiwan’s motion picture industry in 2021

Unit: Number of companies, %

	2020	2021	Accounted percentage in 2021	2020/2021 growth rate
Motion picture production	1,564	1,794	78.14%	14.71%
Motion picture post-production and special effects	180	212	9.23%	17.78%
Motion picture distribution	164	162	7.06%	-1.22%
Motion picture screening	122	128	5.57%	4.92%
Total	2,030	2,296	100.00%	13.10%

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 NT\$1–5 million range, accounting for approximately 29.7% of the total number of businesses, followed by \$10–50 million, at 24.16%. Micro businesses with a capital scale of less than \$1 million and large-scale enterprises with a capital scale of over \$100 million accounted for 11.88% and 11.07%, respectively.

Table 2-11. Capital scale of businesses in the subindustries of Taiwan's motion picture industry in 2021

Unit: %

	Motion picture production industry	Motion picture post-production industry	Motion picture distribution industry	Motion picture screening industry	Total
≤NT\$100,000	0.31%	3.70%	1.51%	0.00%	2.02%
NT\$100,000 to NT\$500,000 (not inclusive)	5.83%	5.93%	6.03%	0.00%	5.26%
NT\$500,000 to NT\$1 million (not inclusive)	4.60%	5.19%	4.52%	4.00%	4.59%
NT\$1 million to NT\$5 million (not inclusive)	33.74%	40.00%	27.64%	1.33%	29.69%
NT\$5 million to NT\$10 million (not inclusive)	16.87%	8.15%	16.08%	42.67%	17.54%
NT\$10 million to NT\$50 million (not inclusive)	24.85%	22.22%	28.14%	16.00%	24.16%
NT\$50 million to NT\$100 million (not inclusive)	4.60%	5.19%	6.03%	10.67%	5.67%
NT\$100 million to NT\$500 million (not inclusive)	5.83%	7.41%	5.03%	14.67%	6.75%
NT\$500 million to NT\$1 billion (not inclusive)	2.15%	1.48%	3.52%	4.00%	2.56%
≥NT\$1 billion	1.23%	0.74%	1.51%	6.67%	1.75%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Ministry of Economic Affairs business registration.

Note:

The majority of operators participated in multiple subindustries, resulting in duplicate counting. This table is for reference only.

Within the subindustries, more than 60% of motion picture production companies were below \$10 million in capital scale, while 44.48% were below \$5 million. Large-scale businesses with more than 100 million accounted for 9.2% of the total.

The capital of motion picture post-production companies was mainly between \$1–5 million, accounting for 40% of the total number of companies in this subindustry, followed by those with a capital of \$10–50 million, accounting for 22.22%. The percentage of companies with a capital of less than NT\$1 million was approximately 14.82%, which was comparatively higher than in other subindustries.

The capital scale of motion picture distributors was mainly less than \$10 million (55.78%). This was due to motion picture distributors in Taiwan being independent distributors that are SMEs and Hollywood distributors established in Taiwan having relatively small capital.

As for the motion picture screening industry, approximately 42.67% of the companies had a capital of \$5–10 million, while 16.00% had a capital of \$10–50 million. The percentage of companies with a capital of more than \$100 million was 25%. These large-scale companies were mostly movie theater chains.

2.1.3. Number of employees in the domestic motion picture industry

In 2021, a total of 4,271 people were employed in the overall motion picture industry, down 2.83% compared to the previous year. The decrease was less than the year before. Additionally, the number of employees in the post-production special effects and screening businesses declined by 1.52% and 8.78%, respectively, primarily as a result of the pandemic's lasting impacts. Due to the resumption of filmmaking in 2021, the motion picture production and distribution industries grew by 23.65% and 20.85%, respectively.

Table 2-12. Number of employees in the motion picture industry from 2017 to 2021

Unit: Number of people, %

Industry \ Year	Year					2020 / 2021 Growth rate	Gender ratio of employees in 2021	
	2017	2018	2019	2020	2021		Male	Female
Motion picture production	375	374	396	389	481	23.65%	40.50%	59.50%
Motion picture distribution	397	369	359	329	452	20.86%	46.27%	53.73%
Motion picture post-production and special effects	393	396	380	374	324	-1.52%	56.93%	43.07%
Motion picture screening	3,647	3,733	3,660	3,304	3,014	-8.78%	43.55%	54.65%
Total	4,812	4,872	4,780	4,396	4,271	-2.84%	45.62%	54.38%

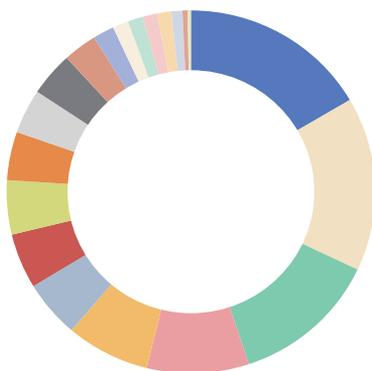
Source: Estimated by this survey.

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 28.07%. Within these companies, 46.67% reported a decrease in revenue, while 32.28% reported an increase compared to 2020.

Based on the sources of revenue, the motion picture production industry relied on the production of various types of content as its main source of income (accounting for about 50.75% of all revenue sources), with television series being the main content produced. Animation production also increased compared to last year. Furthermore, the proportion of revenue from screenwriting and content development grew compared to the previous year, accounting for 12.18% of the total revenue.



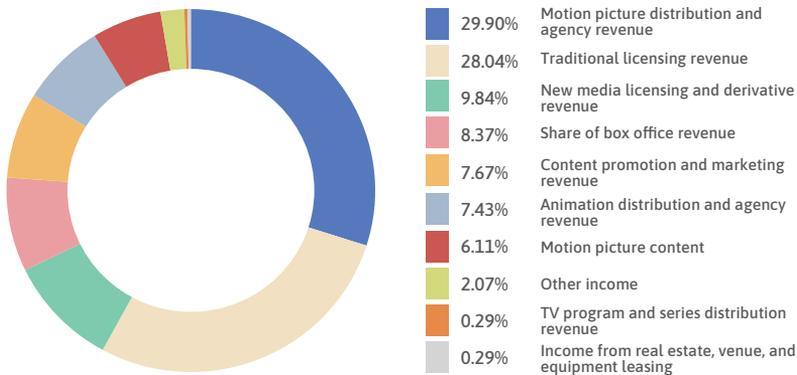
16.55%	TV program and series content production revenue	3.92%	Other income
15.49%	Motion picture content production revenue	2.97%	Artist management
12.87%	Early-stage content development and screenwriter fees	1.86%	TV program and series distribution and agency revenue
8.96%	Online audiovisual content production revenue	1.39%	Content post-production and special effects revenue
7.34%	Traditional licensing revenue	1.32%	Content promotion and marketing revenue
5.10%	Share of box office revenue	1.29%	Sales and licensing of peripheral merchandise
4.90%	New media licensing and derived revenue	1.23%	Advertisement, sponsorship, and placement marketing revenue
4.82%	Advertisement content production revenue	0.97%	Other content production revenue
4.31%	Motion picture distribution and agency revenue	0.45%	Income from real estate, venue, and equipment leasing
3.96%	Animation content production revenue	0.29%	Animation distribution and agency revenue

Source: Organized by this survey study.

Figure 2-27. Revenue structure of the motion picture industry in 2021

In the motion picture distribution industry, around half of the companies had a revenue of less than NT\$10 million in 2021. A quarter of these businesses had revenue of more than NT \$1 million but less than NT \$5 million. The pandemic affected 49.18% of all businesses in the industry, leading to a drop in revenue from the previous year. On the other hand, 27.87% of businesses saw an increase in revenue from the year before.

In terms of revenue structure, motion picture distribution and agency revenues and traditional licensing revenues ¹⁵ were the primary income generators, accounting for 29.90% and 28.04% of the total, respectively. This was followed by new media licensing and derivative revenue, box office revenue shares, and content promotion and marketing revenue. Due to the pandemic and corresponding epidemic preventive measures, cinemas in Taiwan were forced to close for two months, resulting in a considerable drop in box office earnings compared to the previous year.



Source: Organized by this survey study.

Note:

Only motion picture distributors were analyzed for revenue structure in 2021; therefore, comparisons should be made with caution.

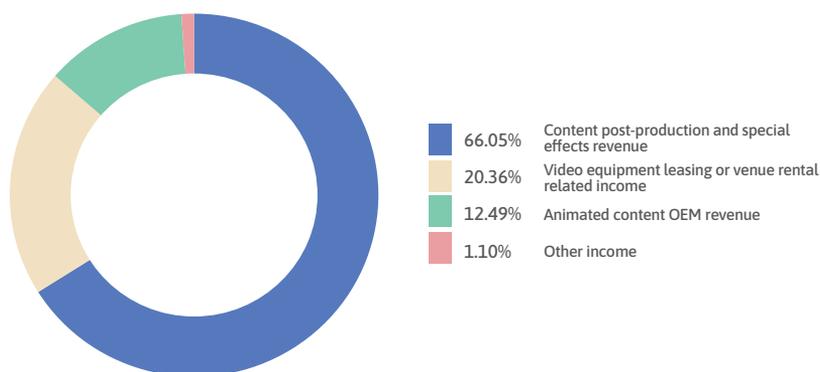
Figure 2-28. Revenue structure of Taiwan’s motion picture distribution industry in 2021

¹⁵ Traditional licensing income consists of television, DVD, and in-flight licensing. New media licensing and derived earnings consist of video streaming platform copyright income and YouTube platform advertising profit sharing, rewards, live broadcast donations, and channel membership sharing, etc.

In the motion picture post-production and special effects industry, nearly half of the businesses had a revenue of less than NT\$10 million in 2021, and 21.62% of the businesses had revenue of more than NT \$1 million but less than NT \$5 million. Furthermore, 51.35% of enterprises in the industry reported a fall in revenue from the previous year.

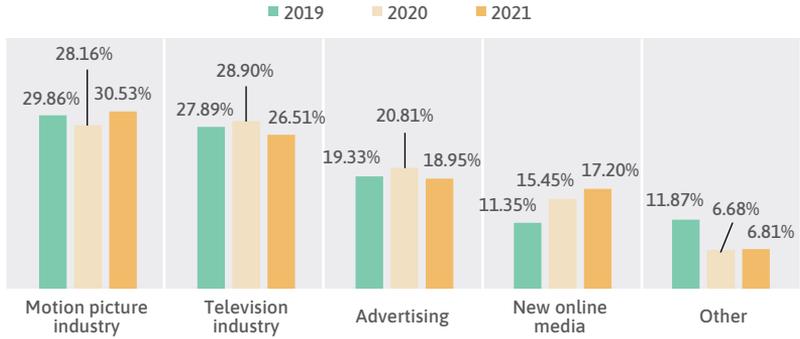
In terms of revenue structure, the primary source of revenue for the domestic motion picture post-production and special effects industry was still post-production and special effects related operations, which accounted for 66.05% of total revenue, followed by animated content OEM, which accounted for 12.49%. In recent years, the demand for content on new media has grown quickly. As a result, revenue coming from this area has steadily increased and now makes up 17.20% of the total revenue in 2021. This phenomenon could be attributed to OTT platforms' continuous investments, which resulted in an increase in production quantity and budget for crime and horror 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 exhibitions and mobile games has also increased in recent years, allowing companies to undertake additional businesses to increase their revenue streams.



Source: Organized by this survey study.

Figure 2-29. Revenue structure of Taiwan's motion picture post-production and special effects industry in 2021

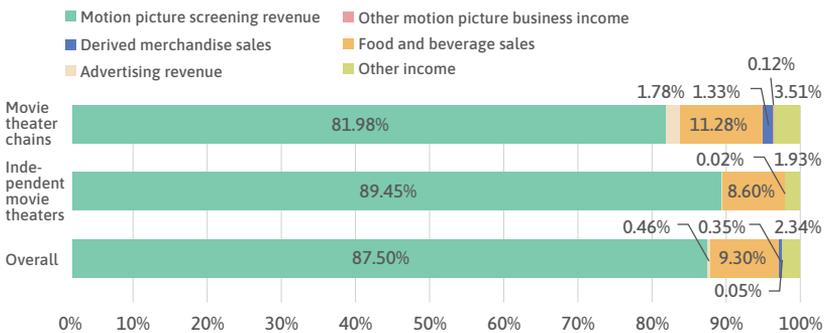


Source: Organized by this survey study.

Figure 2-30. Breakdown of revenue from various types of content in Taiwan’s post-production and special effects industry

In the motion picture screening industry, 47.83% of enterprises in the motion picture screening industry had less than NT\$10 million in revenue, and 63.64% of businesses reported a year-over-year decline in revenue, illustrating the impact of the pandemic on the industry.

In terms of the revenue structure of the screening industry, 87.50% of the revenue came from the screening of motion pictures, followed by sales of food and beverages, which accounted for 9.30%. 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.

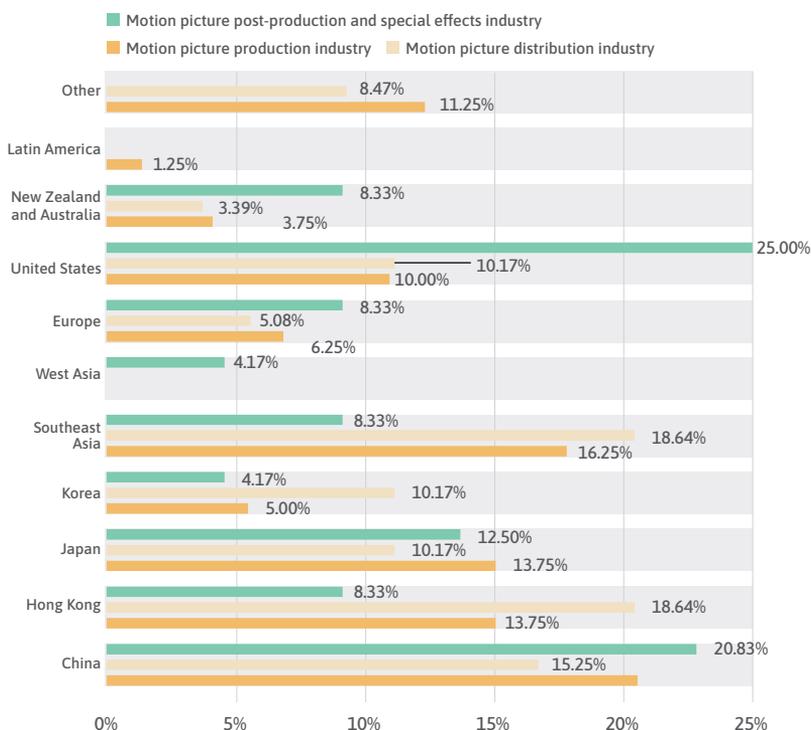


Source: Organized by this survey study.

Figure 2-31. Revenue structure of Taiwan’s motion picture screening industry in 2021

2.2.2. Regions and overview of overseas revenue

In terms of the source regions of overseas income in 2021, 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 affected, 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.



Source: Organized by this survey study.

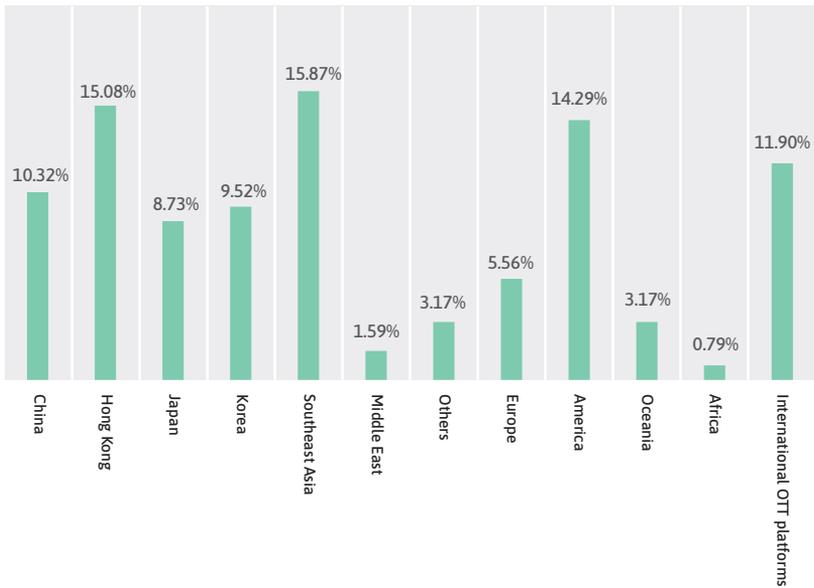
Note:

The breakdown of overseas revenue was measured by the number of transactions rather than the proportion of revenue.

Figure 2-32. Sources of overseas revenue for Taiwan’s motion picture industry in 2021

According to the breakdown of international licensing by region in 2021, the majority of overseas licensing of domestic films occurred in Southeast Asia, Hong Kong, the Americas, and China. Southeast Asian nations (such as Singapore, Malaysia, Thailand, and Vietnam) had rates as high as 15.87%, followed by Hong Kong, at 15.08%.

Due to the advent of digital streaming and the impact of the pandemic, on-site international trade fairs have been canceled or postponed in recent years, and the sales of motion picture copyrights have shifted to reach international markets via international OTT platforms.



Source: Organized by this survey study.

Note:

The breakdown of overseas revenue was measured by the number of transactions rather than the proportion of revenue.

Figure 2-33. Distribution of overseas licensing for Taiwan’s motion picture industry in 2021

2.3. IP licensing trends

In 2021, 24.39% of domestic drama and animated films were adaptations of literature, animations, or actual events. Overall, the proportion of domestic films with original screenplays increased in 2021 compared to the previous year; although the proportion of literary and real-life event adaptations decreased, these adapted works still produced many blockbuster films, such as *Till We Meet Again*, which was adapted from the novel of the same name by Giddens Ko, and *The Soul*, which was adapted from Jiang Bo's *Yihun Youshu*.

In addition to utilizing local intellectual property, the 2018 adaptation of the Korean film *More Than Blue* performed successfully at the box office, leading domestic industry players to seek out foreign screenplays. *A Trip with Your Wife*, *Man in Love*, and *Treat or Trick* were adapted from Korean short films or films of the same name in 2021 in an attempt to boost the likelihood of box office recovery by utilizing well-known stories with established fan bases.

Table 2-13. Topics and IP extensions of Taiwan's drama and animated films in 2021

English title	Text before adaptation/ Source of text	IP extensions/Derived products
Man in Love	Film or television content	-
Till We Meet Again	Literature	Peripheral products (co-branded bracelets)
GATAO - The Last Stray	Original screenplay	Peripheral products (sports towels and jellos*)
Listen Before You Sing	Real-life event	Peripheral products (original soundtracks)
The Soul	The <i>Yihun Youshu</i> novel	-
The Falls	Original screenplay	Peripheral products (co-branded umbrellas)
Nezha	Original screenplay	-
American Girl	Real-life event	Novelization: <i>American Girl</i>
Plurality	Original screenplay	Novelization: <i>The Art of Plurality</i>
A Trip with Your Wife	Film or television content	-
Deified	Real-life event	-

English title	Text before adaptation/ Source of text	IP extensions/Derived products
Waiting for My Cup of Tea	The <i>Waiting for My Cup of Tea</i> novel	-
Grit	Original screenplay	Peripheral products (t-shirts)
As We Like it	Original screenplay	Film poetry book
Moneyboys	Original screenplay	Peripheral products (face masks)
Leave Me Alone	Original screenplay	Peripheral products (soundtracks published on streaming platforms)
Everyone has Money	Original screenplay	Peripheral products (soundtracks, toys, commemorative kaoliang wine)
In the Shadow	Literature	-
Jang-Gae: The Foreigner	Real-life event	-
Can You Hear Me?	Real-life event	-
Treat or Trick	Film or television content	-

Source: Organized by this survey study.

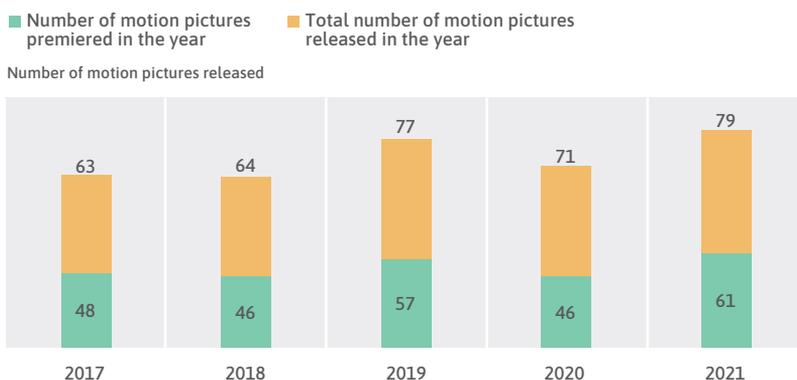
Notes:

- ① This section only presents an overview of IP translations and extensions of domestic motion pictures in 2021, as well as those with sales of peripheral merchandise.
- ② The product marked with an asterisk * was jointly sold with movie tickets.

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. Due to the impact of the pandemic, the release of several films originally scheduled for 2020 was delayed until 2021. Additionally, a large number of short films were released in 2021, bringing the total number of films released that year to 79. 61 of the 79 films released in 2021 were debuts, 15 more than in 2020.



Source: Organized by this survey study.

Notes:

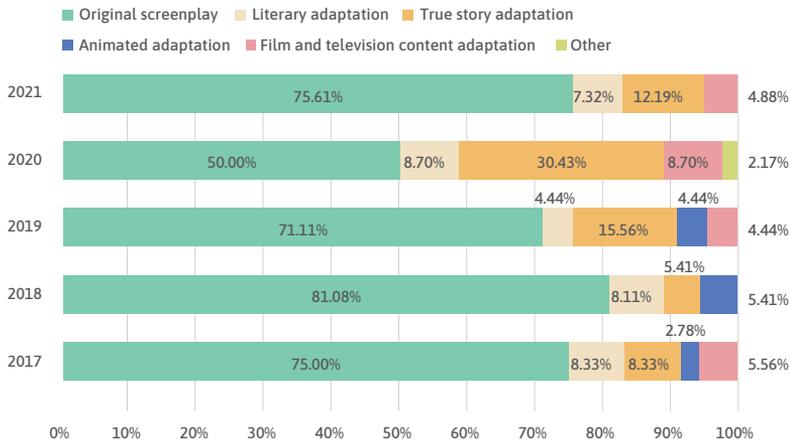
- ① Data on the number of domestic motion pictures distributed in 2017 and before was provided by the Motion Picture Association of Taipei; data on the number of domestic motion pictures distributed after 2017 was summarized from box office data provided by the Taiwan Film and Audiovisual Institute.
- 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.

Figure 2-34. Domestic motion picture production overview from 2017 to 2021

2.4.2. Domestic motion picture content – source of screenplays

In terms of script inspirations for domestic drama and animated films that released in 2021, 31 were original screenplays (75.61%). With regard to the source of domestic film screenplays in recent years, the percentage of original scripts has decreased since 2020 but slightly rebounded in 2021.

By the origin of adapted screenplays, the proportion of adaptations based on real-life events was relatively high (12.19%), with examples including *American Girl* and *Jang-Gae: The Foreigner*, both of which explore self-identity; literary adaptations accounted for 7.32%, with examples including *Till We Meet Again*, which was adapted from Giddens Ko’s novel of the same name, and *Waiting for My Cup of Tea*, which was adapted from director Phoebe Jan’s novel of the same title. In addition, two domestic motion pictures slated for release in 2021 were adapted from other film and television content. They were *Man in Love* and *Treat or Trick*, which were respectively based on the Korean films *Namjaga Saranghal Dae* and *To Catch a Virgin Ghost*.



Source: Organized by this survey study.

Note: Only data on screenplays of drama films and animated movies were collected.

Figure 2-35. Source of inspiration for domestic motion picture screenplays from 2017 to 2021

2.4.3. Domestic motion picture content – genres

By observing the genres of domestic motion pictures that premiered each year, we found that romance (26.84%) and mystery/thriller (19.53%) were the most recurrent genres in 2021. *Man in Love* and *Till We Meet* were examples of films with romantic elements, whereas *The Soul*, *Plurality*, and *Deified* were some of the films with mystery and thriller elements.

The creative elements of domestic pictures have not changed significantly over the past decade; romance and mystery/thriller remain the dominant genres. Nonetheless, creators are branching out into other genres by continually selecting different types of themes to work with, such as Taiwanese gangsters, inspirational stories of choirs, the zombie apocalypse (which addresses changes in human nature caused by viruses), or exploring the dark side of human nature through thrilling plots, etc., thereby diversifying the content of the works.

Table 2-14. Genre breakdown of domestic motion pictures released from 2017 to 2021

Unit: %

Genres	2017	2018	2019	2020	2021
Action	1.35%	4.17%	5.10%	2.85%	4.88%
Adventure	0.90%	0.00%	0.00%	0.00%	2.44%
Biographical	0.00%	0.00%	0.00%	0.00%	0.00%
Comedy	14.86%	13.89%	9.18%	15.22%	9.76%
Crime	13.51%	6.94%	7.14%	5.71%	3.24%
Family	7.66%	15.28%	13.27%	22.35%	16.66%
Fantasy/ Science fiction	4.05%	8.33%	5.10%	1.57%	3.66%
Mystery/ Thriller	21.62%	12.50%	9.86%	17.12%	19.53%
Horror	2.25%	4.17%	0.68%	4.28%	2.44%
Musical	2.25%	2.78%	4.08%	0.00%	2.44%
Romance	29.28%	22.22%	25.51%	28.06%	26.84%
War	0.00%	0.00%	1.70%	0.00%	0.00%
Historical	0.00%	1.39%	0.00%	0.00%	0.00%
Inspirational	2.25%	8.33%	10.20%	0.00%	6.10%
Other	-	-	8.18%	2.85%	2.02%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Organized by this survey study.

Notes:

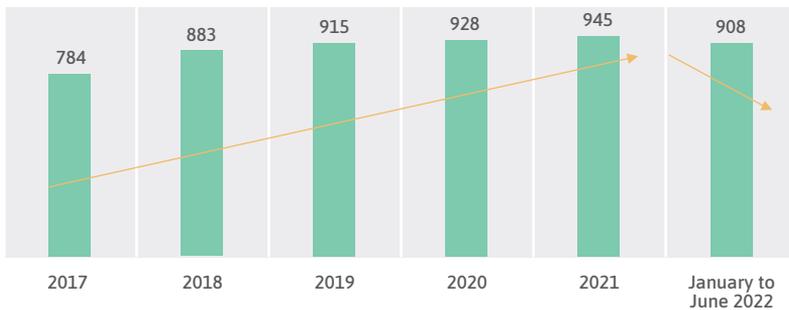
- ① These genres were summarized from data provided by the BAMID of the Ministry of Culture, Yahoo! Movies, AtMovies, and referenced genres of the British Film Institute (BFI). Each domestic motion picture was manually assessed by this survey and categorized under a maximum of three genres.
- ② Only 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.

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. Some independent cinemas ceased operations in 2021 due to the pandemic. But as the outbreak subsided that year, movie theater chains continued to develop throughout Taiwan, in89, for example, set up new businesses in Chiayi city, while CENTURY ASIA expanded to the Qingpu Special District in Taoyuan. This helped aid the recovery of Taiwan's cinema screen count. The number of cinema screens in Taiwan reached 945 as of the end of December 2021, a rise of 17 over the previous year.

However, many independent theaters still suspended or ceased operations in the second quarter of 2022 due to the lingering effects of the pandemic, resulting in a 3.92% drop in cinema screen count. The number of cinema screens in Taiwan was 908 as of the end of June 2022.

Number of screens



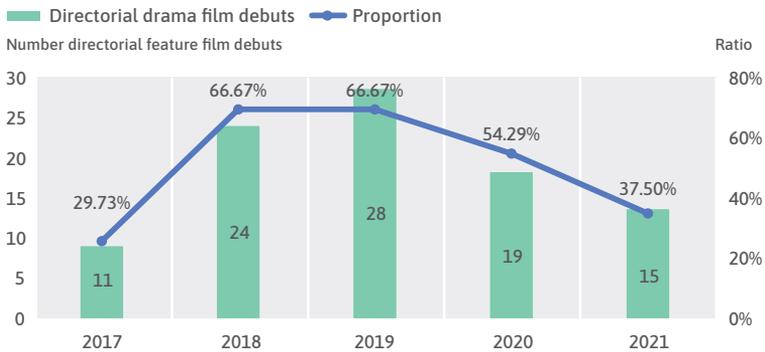
Source: Data provided by BAMID of the Ministry of Culture.

Figure 2-36. Number of screens in Taiwan's movie theaters

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 directors in the past five years was compiled through secondary data. In 2021, a total of 15 domestic motion pictures were directed by emerging directors, accounting for 37.5% of domestic motion pictures. Among them, Yin Chen-Hao, who directed *Man in Love*, used to direct many music videos and short films.

On the whole, despite a decline in the number of emerging domestic directors over the past two years, they continue to infuse the Taiwanese film scene with unique themes and narratives, as exemplified in *American Girl*, *The Sadness*, and *Deified*. However, we must continue to monitor the development of Taiwan’s film industry’s workforce, especially in light of the pandemic’s effects over the last two years.



Source: Organized by this survey study.

Note:

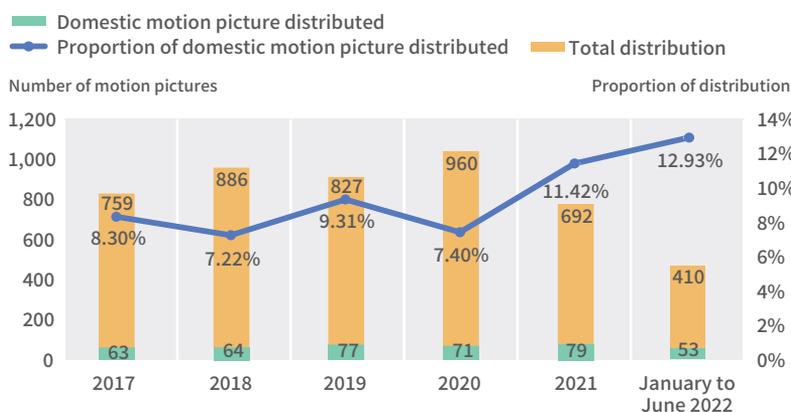
The proportion of directorial debuts in drama feature films = directorial debuts of the year / total number of drama feature films of the year.

Figure 2-37. Proportion of domestic directorial debuts in drama films from 2017 to 2021

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.

Many domestic and foreign films were withdrawn or delayed due to the impact of the epidemic in 2021. Moreover, 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 distributed to 692, 27.91% less than the previous year’s total.



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.

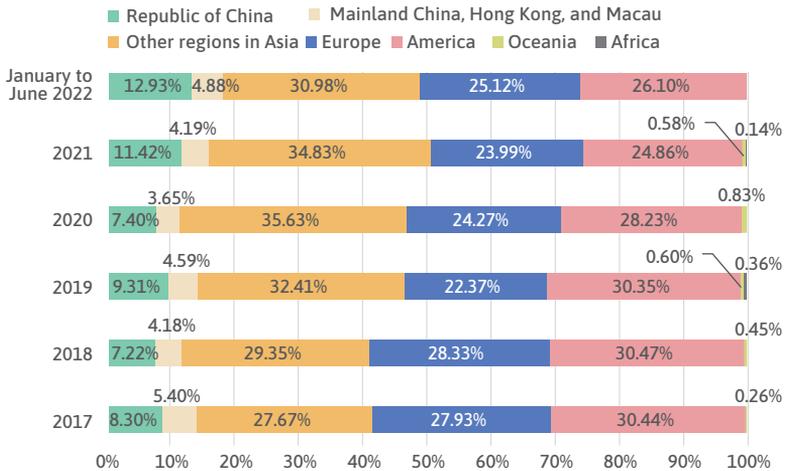
Figure 2-38. Number of motion pictures distributed in Taiwan’s motion picture market from 2017 to 2021

As of the end of June 2022, 410 films were released in the motion picture market in Taiwan, including 53 domestic motion pictures, accounting for 12.93% of the total. These included *Incantation*, *My Best Friend’s Breakfast*, etc.

In terms of the country of origin of films distributed in the motion picture market in Taiwan, Asian countries had the highest number of film distribution (accounting for 34.83%), followed by the Americas (accounting for 24.86%). As for domestic motion pictures, a total of 79 films were released in 2021, which accounted for 11.42% of the total, a modest increase of 8 films from the previous year.

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, mainly due to the increase of Japanese and Korean motion pictures screened in recent years. For the Japanese motion picture industry, 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.

Furthermore, according to the public information supplied by the BAMID of the Ministry of Culture, Asian films (excluding China, Hong Kong, and Macau) had the highest percentage of films screened (30.98%) as of the end of June 2022, such as *Detective Conan: The Bride of Halloween*, *The Roundup*, etc. This was followed by films from the Americas (26.10%) and domestic films (12.93%). The proportion of films screened from these regions both increased from the previous year.



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.

Note:

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.”

Figure 2-39. Percentage of source region for motion pictures released in Taiwan from 2017 to June 2022

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 five consecutive years.

Table 2-15. Market shares of domestic motion picture distributors from 2017 to 2021

A: Drama and animation B: Documentary Unit: %

Rank	2017		2018		2019		2020		2021	
	A	B	A	B	A	B	A	B	A	B
1	Garage-Play	10.80%	Garage-Play	12.53%	CatchPlay	12.20%	Garage-Play	21.25%	CatchPlay	15.75%
2	iFilm	8.43%	AfterDark	7.45%	AfterDark	5.68%	Sky Digi Entertainment	6.67%	Sky Digi Entertainment	5.92%
3	Cola Films	4.61%	iFilm	4.63%	CaiChang	4.83%	CaiChang	4.90%	CaiChang	4.34%
4	Sky Digi Entertainment	4.48%	CaiChang	4.51%	VIESHOW CINEMAS	4.11%	Swallow Wings	3.54%	Warner Bros.	4.19%
5	CatchPlay	4.08%	Applause	4.18%	Sky Digi Entertainment	3.99%	CatchPlay	3.33%	Trans-world	4.05%
6	CaiChang	3.95%	Sky Digi Entertainment	3.84%	Swallow Wings	3.62%	Applause	3.33%	CatchPlay	3.47%
7	Joint Entertainment	3.69%	CatchPlay	3.84%	Warner Bros.	3.50%	Warner Bros.	3.23%	Applause	3.03%
8	Swallow Wings	3.69%	Swallow Wings	3.27%	CatchPlay	3.26%	VIESHOW CINEMAS	3.13%	Swallow Wings	2.89%
9	AfterDark	3.43%	Cola Films	2.82%	Universal Studios	3.14%	Skyfilms	2.60%	iFilm	2.75%
10	Applause	3.29%	Joint Entertainment	2.82%	Skyfilms	2.90%	DeepJoy Picture	2.50%	Light Year Images	2.75%

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 peers in the motion picture distribution industry in Taiwan, accounting for 61.73% of films in 2021.

In terms of the box office performance of domestic distributors in 2021, Warner Bros., due to blockbusters such as *Godzilla vs. Kong*, *Dune*, and *The Suicide Squad*, had made its market share the first with 19.97%; Walt Disney, led by *Eternals* and *Shang-Chi and the Legend of the Ten Rings*, made its box office market share reach 15.98%. In addition, Machi Xcelsior Studios and Vie Vision, which ranked sixth and seventh, respectively, entered the top ten as a result of the release of domestic motion pictures such as *Till We Meet Again*, *GATAO - The Last Stray*, *The Soul*, and so on.

Table 2-16. Box office market shares of domestic motion picture distributors from 2017 to 2021

A: Distributor		B: Market share								Unit: %	
Rank	2017		2018		2019		2020		2021		
	A	B	A	B	A	B	A	B	A	B	
1	Universal Studios	16.66%	Warner Bros.	19.61%	Walt Disney	29.24%	Garage-Play	15.34%	Warner Bros.	19.97%	
2	Warner Bros.	15.22%	Walt Disney	16.39%	Warner Bros.	16.06%	Warner Bros.	12.23%	Walt Disney	15.98%	
3	Walt Disney	12.63%	Universal Studios	13.55%	Universal Studios	9.88%	Muse Communications	12.03%	Sony Pictures	14.87%	
4	Fox	11.20%	Twentieth Century Fox	10.73%	Sony Pictures	6.85%	Sony Pictures	9.89%	Universal Studios	7.68%	
5	Buena Vista	8.25%	CaiChang	8.89%	Garage-Play	4.83%	Vie Vision	6.75%	Garage-Play	7.25%	
6	Paramount	6.11%	Buena Vista	6.51%	Twentieth Century Fox	4.25%	Universal Studios	4.76%	Machi Xcelsior Studios	5.65%	
7	Catch-Play	4.96%	Paramount	6.28%	Catch-Play	3.93%	Walt Disney	4.00%	Vie Vision	5.07%	
8	Vie Vision	4.02%	Garage-Play	2.15%	DeepJoy Picture	3.06%	Skyfilms	3.66%	Buena Vista	3.23%	
9	Garage-Play	3.56%	Vie Vision	1.92%	Paramount	3.00%	Catch-Play	3.53%	Muse Communications	2.68%	
10	Applause	2.75%	Catch-Play	1.76%	Vie Vision	2.87%	Applause	3.32%	Skyfilms	2.26%	
	Other	14.64%	Other	12.21%	Other	16.03%	Other	24.48%	Other	15.35%	
	Total	100.00%	Total	100.00%	Total	100.00%	Total	100.00%	Total	100.00%	

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\$4.969 billion in 2021, a decrease of 3.78% over the previous year. This was due to the suspension or closing of cinemas as a result of Level 3 epidemic alert. However, domestic motion pictures grossed a total of NT\$1.214 billion, accounting for 24.47% of the box office market, a substantial 38.43% 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\$2.899 billion and accounting for 58.39% of the total. Despite the postponement or cancellation of several Hollywood blockbusters, the box office has recovered significantly, up 31.19% from 2020, when the pandemic just began.

Driven by the Japanese animated film *Detective Conan: The Scarlet Bullet* and the Korean motion pictures *The Medium* and *Seo Bok*, motion pictures from other regions of Asia grossed a combined NT\$603 million (accounting for 12.16% of the total) in 2021. But the box office was still down by 66.38% compared to the previous year.

Table 2-17. Overview of the total box office in Taiwan from 2017 to June 2022

Unit: number of films, NTD, %, persons

	Item	Box office revenue (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	100.00%
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	100.00%
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	0.06%
	Africa	648,340	3,076	0.01%
	Total	10,191,114,997	43,198,863	100.00%

	Item	Box office revenue (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	100.00%
2021	Taiwan (R.O.C.)	1,214,414,137	5,127,249	24.46%
	Mainland China, Hong Kong, and Macau	114,548,911	487,328	2.31%
	Other regions in Asia	603,471,265	2,428,516	12.16%
	Europe	132,629,531	572,319	2.67%
	America	2,898,863,449	11,496,148	58.39%
	Oceania	151,148	1,167	0.00%
	Africa	198,048	890	0.00%
	Total	4,964,276,489	20,113,617	100.00%
January to June 2022	Taiwan (R.O.C.)	403,336,950	1,717,405	13.89%
	Mainland China, Hong Kong, and Macau	13,182,145	55,803	0.45%
	Other regions in Asia	374,366,798	1,468,723	12.89%
	Europe	64,565,252	273,209	2.22%
	America	2,048,914,316	7,926,767	70.55%
	Total	2,904,365,461	11,441,907	100.00%

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.

Note:

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

2.4.9. Domestic motion picture average views

Taiwanese citizens watched an average of 0.86 motion pictures per year in 2021, which was significantly lower than in previous years. This was primarily the result of movie theaters’ reduced business operations during the pandemic. Even after the Level 3 epidemic alert was lifted, public interest in going to the movies remained low.

In terms of motion pictures from various regions, the average number of domestic motion pictures watched annually per person was 0.22, a near four-year high. Average view of motion pictures from the rest of the continents, except the Americas, decreased compared to the previous year. In comparison, the average number of views per person for American films was 0.49, which was less than one but still represented a modest gain over the previous year.

Table 2-18. Average views of motion pictures in Taiwan from 2017 to 2021

Unit: Number of movies watched

	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	0.00	-	1.93
2018	0.15	0.04	0.27	0.04	1.46	0.00	-	1.96
2019	0.13	0.05	0.22	0.02	1.42	0.00	0.00	1.83
2020	0.16	0.02	0.32	0.03	0.40	0.00	-	0.93
2021	0.22	0.02	0.10	0.02	0.49	0.00	0.00	0.86

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.

Note:

The population in 2021 was 23,375,314 (source: population statistics by the Ministry of the Interior).

2.4.10. Taiwan's Top 10 highest-grossing motion pictures in 2021

The majority of the top 10 box office motion pictures in Taiwan in 2021 were still American blockbusters, although the top one was the domestic film *Man in Love*, which grossed NT\$405 million, while *Spider-Man: No Way Home* ranked second with a tiny margin. Furthermore, three domestic films, *Man in Love*, *Till We Meet Again*, and *GATAO - The Last Stray*, grossed over NT\$100 million at the box office and entered the top 10.

Table 2-19. Top 10 highest-grossing motion pictures in Taiwan in 2021

Unit: number of individuals,NTD

Country	English Title	Number of views	Box office (NTD)	Release date
Taiwan (R.O.C)	Man in Love	1,696,691	405,402,260	2021/04/01
United States	Spider-man: No Way Home	1,598,464	405,337,549	2021/12/15
United States	Godzilla vs Kong	1,400,197	358,028,088	2021/03/24
United States	Eternals	976,452	257,911,788	2021/11/03
Taiwan (R.O.C)	Till We Meet Again	969,400	235,315,573	2021/11/24
Taiwan (R.O.C)	GATAO – The Last Stray	683,735	161,768,815	2021/02/05
United States	Venom: Let There Be Carnage	606,577	154,339,442	2021/10/13
United States	Dune	554,164	153,559,117	2021/09/16
United States	No Time to Die	563,116	150,946,542	2021/09/29
United States	Shang-Chi and the Legend of the Ten Rings	584,093	149,582,239	2021/09/02

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 domestic box office winner *Man in Love* was adapted from the Korean film *Namjaga Saranghal Dae*, while the second title *Till We Meet Again* was adapted from Giddens Ko's fantasy and love themed novel of the same name. *GATAO - The Last Stray*, a piece from the *GATAO* series, took the third place. Furthermore, *Listen Before You Sing*, an inspirational story about an aboriginal choir, and *The Soul*, a neo-noir science fiction criminal suspense film, each grossed more than NT\$50 million at the box office.

The top 10 domestic motion pictures at the box office in 2021 spanned a wide variety of genres. Along with the already popular romance films, genres such as family, inspirational, horror, and mystery/thriller were gradually gaining domestic consumers' attention.

Table 2-20. Top 10 highest-grossing domestic motion pictures in 2021

Unit: number of individuals,NTD

English Title	Number of views	Box office (NTD)	Release date
Man in Love	1,696,691	405,402,260	2021/04/01
Till We Meet Again	969,400	235,315,573	2021/11/24
GATAO - The Last Stray	683,735	161,768,815	2021/02/05
Listen Before You Sing	364,191	84,266,034	2021/04/16
The Soul	215,231	50,860,209	2021/01/29
I Missed You	159,799	38,015,678	2021/02/10
The Falls	151,518	35,945,744	2021/10/29
Nezha	135,920	31,943,679	2021/01/16
American Girl	73,762	17,552,820	2021/12/03
Plurality	63,103	14,675,168	2021/02/26

Source:

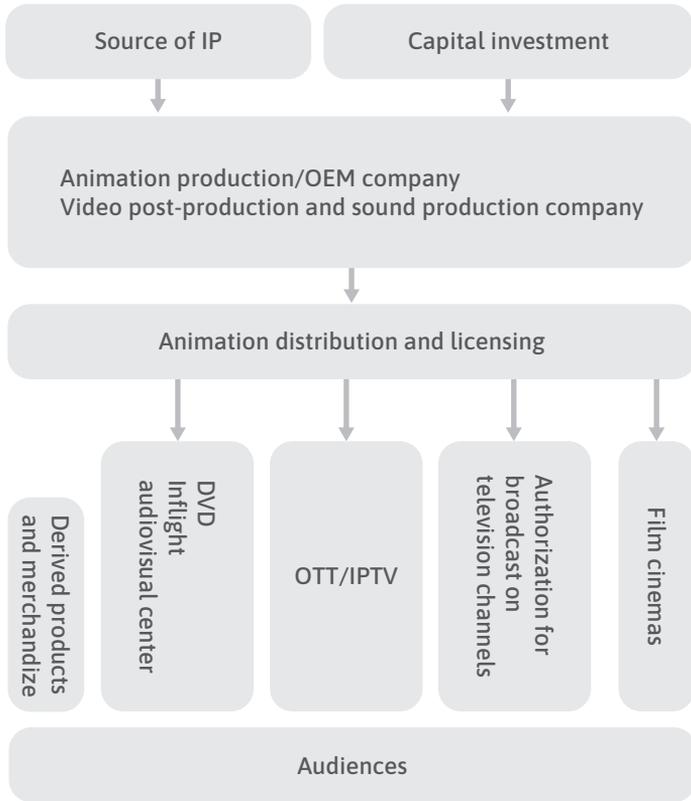
Summarized by this survey from box office data provided by the motion picture screening industry to the BAMID of the Ministry of Culture in accordance with the Motion Picture Act.

03

Animation Industry

3.1. Industry overview

Taiwan's animation industry's production and sales sectors are separated into three categories: content production, distribution and licensing, and screening. Development planning, production, and post-production are aspects of content creation. Text/script development and fundraising are mostly done at the development and planning stages, and then the content is created on the production end and given to the broadcasting end via distribution and licensing companies. Furthermore, the industry encourages derivative operations through broadcasting, such as additional IP licensing and peripheral product sales, in order to continuously expand the market exposure and benefits of animation material.



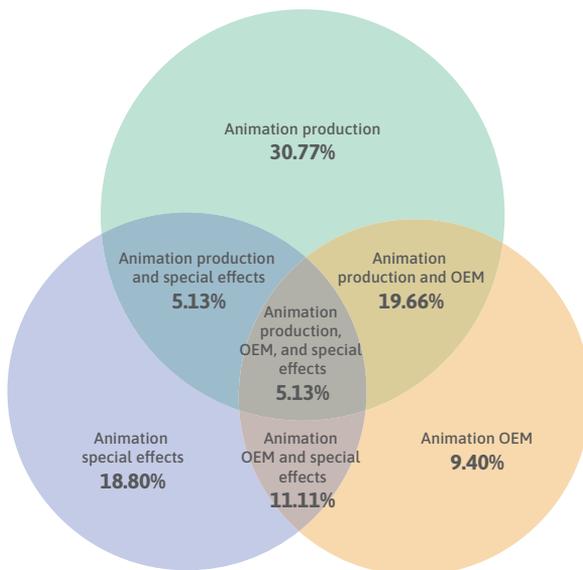
Source: Illustrated by this survey study.

Figure 2-40. Taiwan's animation industry map

3.1.1. Number of companies in the domestic animation industry

A total of 117 production companies were involved in the domestic animation industry in 2021, an increase of 11 companies over the previous year. These were predominantly new original animation content creators, and a few animation OEM production houses. The number of production houses/studios that primarily created self-made material across all aspects of production increased by 8 from the previous year to 36. The majority of these companies also managed and generated their own original IP. There were a total of 22 animation special effects companies and 23 companies engaged both in animation production and OEM, with the latter accounting for 19.66% of the domestic animation industry.

In addition to animation production, the majority of animation production businesses engaged in a wide range of commercial operations, including local and international animation OEM and special effects. Additionally, animation OEM firms produced animated special effects for feature films, advertising, etc.



Source: Organized by this survey study.

Note:

Due to the fact that the majority of animation distributors also distribute and license for other types of motion pictures, this section only presents those engaged in animation content production; information on major domestic animated film distributors will be provided in the industry observation indexes that follow.

Figure 2-41. Companies in Taiwan’s animation industry in 2021

3.1.2. Average capital scale of the domestic animation industry in 2021

According to the business registration data from the Ministry of Economic Affairs, most domestic animation companies had a capital of less than NT\$5 million, accounting for 49.57% of the total. Among them, most were companies with a capital of more than \$1 million but less than \$5 million.

Furthermore, approximately 11.97% of the enterprises had more than NT \$100 million in capital, most of which were involved in animation OEM and animation special effects.

Table 2-21. Breakdown of Taiwan’s animation industry in 2021 by capital scale

Unit: %

Capital size	Number of companies	Percentage
≤NT\$100,000	2	1.71%
≥ NT\$100,000 < NT\$500,000	4	3.42%
≥ NT\$500,000 < NT\$1 million	1	0.85%
≥ NT\$1 million < NT\$5 million	51	43.59%
≥ NT\$5 million < NT\$10 million	15	12.82%
≥ NT\$10 million < NT\$50 million	27	23.08%
≥ NT\$50 million < NT\$100 million	3	2.56%
≥ NT\$100 million < NT\$500 million	11	9.40%
≥ NT\$500 million < NT\$1 billion	3	2.56%
≥ NT\$1 billion	-	0%
Total	117	100.00%

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 16.02 employees per company in 2021. For the subindustries, the animation production industry had an average of 10.92 full-time employees per company; the animation special effects industry had an average of 27.22, and the animation OEM industry had 31.71. An estimated total of 2,028 professionals were engaged in the domestic animation industry in 2021. There were still more male employees (accounting for 57.19% of the total) in terms of the gender ratio in the industry, and 60.82% of the managerial positions were held by men.

This survey utilized data from the cast lists of Taiwan’s original animated series and animated feature films in the past five years (2017-2021) 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 2017 to 2021, the average manpower for animated feature films was 157.88 individuals, while the total average manpower for an animated series was 67.67 individuals. Overall manpower increased compared to the previous year due to the larger production scales of both animated series and feature films in 2021.

On the whole, the scale of domestic original animated productions has shown a polarized development, particularly for animated series. Some of them got subsidies from the public sector and international funds in recent years, resulting in “an increase in the scale of productions”.

Table 2-22. Average production manpower of domestic original animations from 2017 to 2021

Unit: Persons

Category	Average (excluding extreme values)	Maximum	Minimum
Animated series	67.67	203	12
Animated feature films	157.88	236	57

Source:

Summarized by this survey from the cast lists of Taiwanese animated series and animated feature films.

Note:

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.

Manpower 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 artists and animation production staff, which averaged 13.25 and 10.29 per animation, accounting for around 16% each. Animated feature films required manpower mainly for animation production (accounting for 16.19%), art (13.14%), dubbing (8.87%), and post-production (8.31%). In 2021, the average manpower and proportion of manpower involved in animation production increased in both animated series and animated feature films, which may be attributed to the variable size of production scales between years.

Table 2-23. Average manpower allocations for domestic original animations from 2017 to 2021

Unit: Number

	Animated series		Animated feature films	
	Average number of people	Percentage	Average number of people	Percentage
Director	1.67	2.46%	2.88	1.82%
Producer	3.83	5.67%	11.29	6.25%
Filming	-	0.00%	4.00	1.27%
Lighting	3.93	3.39%	19.98	5.70%
Sound effects	2.68	3.63%	6.57	3.64%
Special effects	2.65	2.77%	9.40	3.72%
Modeler	6.56	7.27%	13.86	7.68%
Artist	13.25	16.69%	20.75	13.14%
Screenwriter	3.00	4.06%	2.57	1.43%
Editor	1.43	1.85%	2.83	1.35%
Storyboard artist	3.15	3.88%	6.13	3.88%
Animation production	10.29	16.32%	26.50	16.79%
Post-production	6.15	6.10%	15.00	8.31%
Marketing	4.36	2.96%	10.25	3.25%
Preparation	2.27	1.85%	7.40	2.93%
Dubbing (voice-over)	7.05	9.54%	16.00	8.87%
Administrative staff	4.47	5.23%	9.71	5.38%
Film score	3.75	5.54%	10.60	4.99%

Source:

Summarized by this survey from the cast lists of animated series and animated feature films.

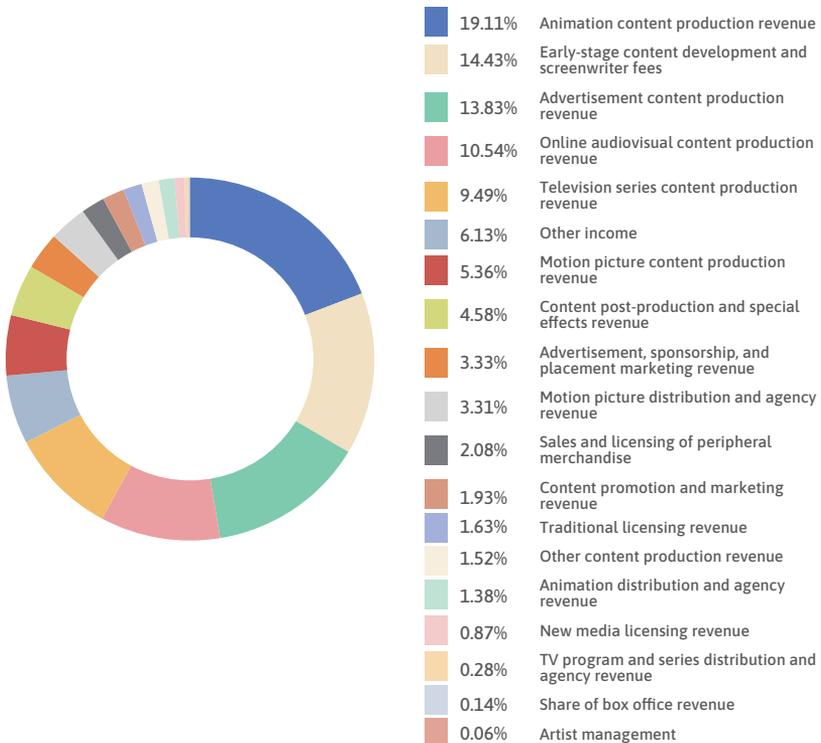
Note:

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 2017 to 2021.

3.2. Revenue and business model

3.2.1. Revenue structure of the year — revenue items

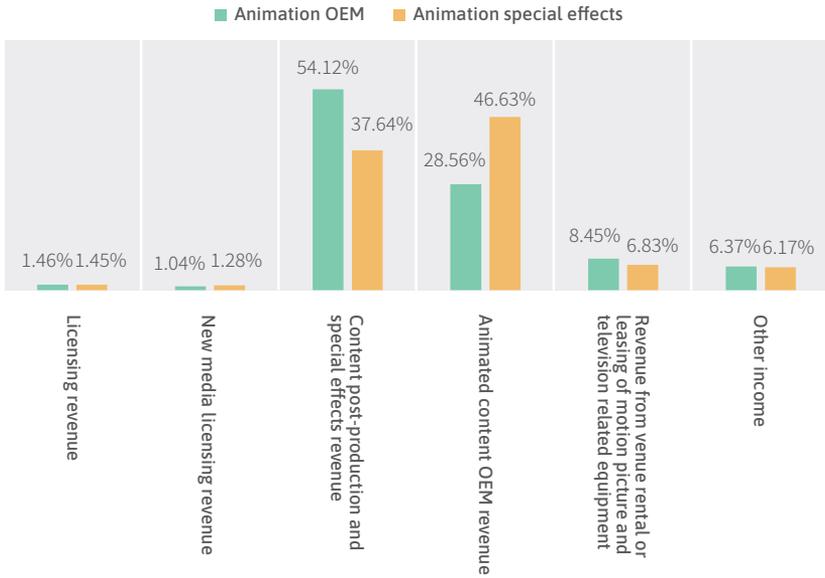
In 2021, animation content production had the highest contribution to the revenues of domestic animation production companies, accounting for 19.11%, followed by early-stage content development and screenwriter fees, at 14.43%. This year, the proportion of revenue generated from early-stage content development and screenwriting fees grew compared to the previous year, indicating that domestic animation production companies have begun to invest in front-end content development and broaden their scope of operation.



Source: Organized by this survey study.

Figure 2-42. Revenue structure of Taiwan’s animation industry in 2021

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, representing more than 80% of the revenue collectively.



Source: Organized by this survey study.

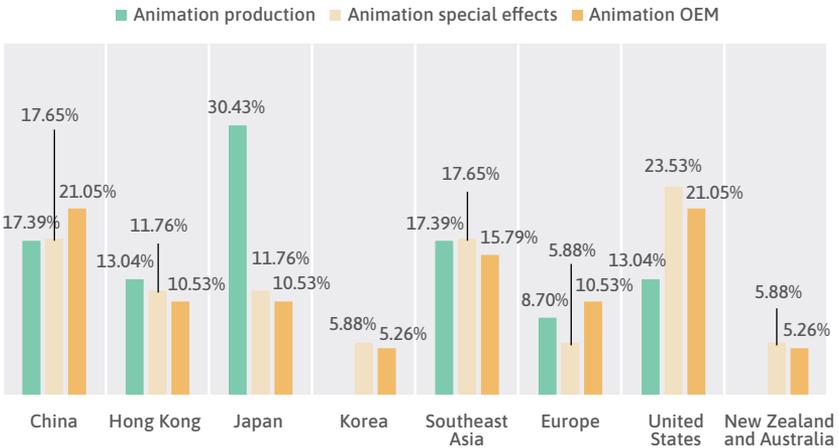
Note:

Licensing revenue included TV, DVD, and in-flight entertainment, but excluded digital new media.

Figure 2-43. Revenue structure of Taiwan’s animation OEM and special effects industry in 2021

3.2.2. Regions and overview of overseas revenue

In 2021, the domestic animation industry’s overseas revenue came from a slightly different pool of source countries than in prior years. Historically, China (excluding Hong Kong and Macau) was the primary nation for overseas revenue generated from production, special effects, and animation OEM industries. However, the diversity of offshore revenue sources increased in 2021. Japan contributed to 30.43% of overseas revenue, followed by Southeast Asia, at 17.39%. The United States was the primary source of revenue for animation special effects and animation OEM, accounting for 23.53% and 21.05%, respectively. Additionally, the revenue from Southeast Asia also increased compared with the previous year.



Source: Organized by this survey study.

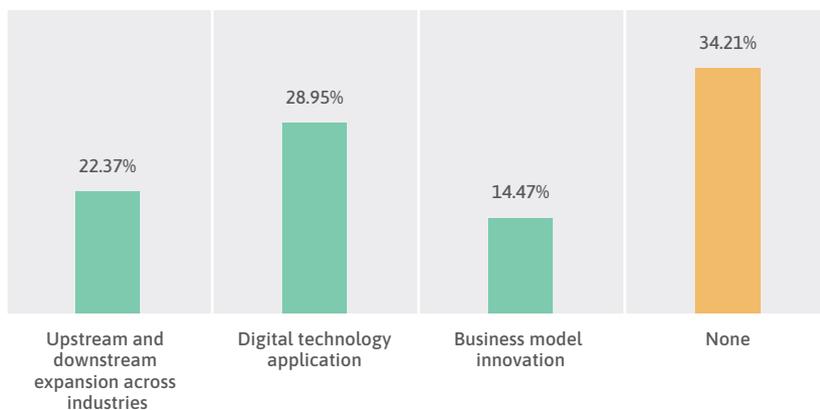
Note:

The source of overseas revenue presented here was not calculated by the proportion of revenue, but by the number of transactions.

Figure 2-44. Regions of overseas revenue generated by Taiwan’s animation industry in 2021

3.2.3. Industry business trends

In response to the trend of digital convergence, 65.79% of animation companies in Taiwan engaged in cross-industry business, according to this year's survey. There was a rather high proportion of digital technology applications among these cross-industry endeavors, mostly owing to the rising need for related technologies in a variety of industries during the past few years, such as the increased demand for visual animation special effects in commercial exhibitions and online performances. This has prompted industry participants to develop in these associated domains, leading to an expansion of their operations.



Source: Organized by this survey study.

Figure 2-45. Trend of cross-industry collaborations of Taiwan's animation industry in 2021

3.3. IP licensing trends

Character licensing currently accounts for the majority of Taiwanese animation's extended applications. Children are the primary target group for these applications, which include stationery, toys, and other commodities. Typically, license in the form of images is required. Adaptations in the form of television shows, films, and games, among others, necessitate a higher level of completeness and maturity in the story and characters of the content, resulting in a higher level of adaptation difficulties.

There are many short animations and animated shorts, but most of them lack continuity. Therefore, only the IP licensing of animated series and feature-length animations is presented here. In 2021, many scripts and themes for domestic animated series and feature-length animations came from comic books or television series. For example, *Jungle King*, *My Papa, Brave Animated Series*, and *Duckbill: The Animal Detective Eco Adventurer* were same-titled comic book adaptations; *2049+Voice Rebirth* was part of the 2049 series of intellectual property; *My Little Boys—A Nee Gu Season 4* was adapted from the same-titled prose by writer Luo Yijun.

As for IP translation and extended applications, the majority of original animation's peripheral products in Taiwan are primarily children's books, comics, stationery, action figures, etc. *My Little Boys—A Nee Gu*, on the other hand, published its own board game, while *Duckbill: The Animal Detective Eco Adventurer* produced its own audiobooks. In reaction to the rapid proliferation of NFTs, various animation businesses have entered the field of NFTs. For instance, the *Brave Animated Series* released a limited quantity of action figures in the form of RNFT (Redeemable NFT), which consumers could redeem for tangible collectibles within a limited time period.

In addition, several original animations have recently begun licensing their intellectual property to games, NFT, and other areas and launching goods with the same name. *DNAxCAT* for instance, employs original characters as intellectual property, enables game developers to launch the NFT game *DNAxCAT*, and concurrently creates and generates funding for the mobile game *Assemble! Meowmeows!*.

In general, the majority of domestic original animations are subsidized by the public sector and are thus primarily science animations for educational purposes. In recent years, however, an increasing number of companies have attempted to adapt existing comics and literary works

into animated content. They also encourage the continued development and authorization of diverse products to extend the exposure time of animated content on the market. This is done so that animation protagonists can ultimately develop into IP characters.

Table 2-24. Topics of IP extensions of Taiwan’s animated series and feature-length animations in 2021

Title	Text before adaptation/Source of text	IP extension/Derived products	Characters
Mofa Baobei Dan	Original screenplay	-	Xiao Dai, Wei Te, Kai Kai, and Wizard Meizi Tang
Piggy Express	Original screenplay	DVD	Piggy and Stacy
Jungle King, My Papa	Comic book	-	Taishan Papa, Gary, Taishan Mama, Old Taishan, Chocolate, Tall Cannibal, and Short Cannibal
Brave Animated Series	Comic book	Action figures, art book collections, DVD, LINE stickers, and RNFTs	Morewant, Chief Brave, Dragon Girl, Top Brave, and Main Brave
My Little Boys—A Nee Gu Season 4	Literature	Book series, musical, and LINE stickers	Daddy Lo, A-Nee-Gu, A-Pai, Mommy, Donny, Cockroach, Da-Tou, and Granny
OMI SKY	Original screenplay	DVD	Omi, Xiao Dian Xiang, Puluo, and Bei Mi
The Brainy Giant	Original screenplay	-	Brown, Giant, and Mini
Yameme Team vs Math Demon	Original screenplay	Comic books and LINE stickers	Yameme, Demoio, and Xiao Fung
2049+Voice Rebirth	2049 television series	-	Wei, Rainy, and IUR
Duckbill: The Animal Detective Eco Adventurer	Comic book	Peripheral merchandise including board games, audio books, stickers, and note books	Duckbill, Amei, and Brother Pa
City of Lost Things	Original screenplay	DVD	Leaf, Baggy, Cheng Huang Ye, and Armored Truck

Source: Organized by this survey study.

Note:

IP extensions of certain animated series were based on the whole series instead of single seasons.

3.4. Industry observation indexes

3.4.1. Domestic animation production overview

In comparison to previous years, the number of animated series produced in Taiwan reached a new high in 2021. In addition to ongoing investments from both the public and private sectors to create original animated IPs and popular science animations, players from other industries have begun to enter the animation industry. ParentingTV, for example, has transformed much of its published content into original animations.

Furthermore, through The Forward-Looking Infrastructure Development Program, PTS helped fund the development of several domestic original animations, such as *Brave Animated Series*, *OMI SKY*, and the animated film *Monster Fruit Academy: Granny Fruity's Big Secret*, which came out in Taiwan in 2022. This helped increase the number of original animation productions in Taiwan as a whole.

Due to the relatively significant funding and manpower required, and lengthy production time, the total number of animated feature films produced in the last five years was 9, with *City of Lost Things* being the sole feature-length animation released in 2021.

As for short animations and animated shorts, due to the many types of animation and the wide array of its applications, this survey study primarily focuses on original animations (short animations and animated shorts) that have the potential to develop into character IPs, excluding government policy announcement shorts, commercial animations, music video animations, etc. There were 414 short animations released in 2021, each lasting 50 to 60 minutes, while 220 animated shorts were released (each lasting less than 5 minutes). The average duration of animated shorts grew compared to the previous year.

Table 2-25. Quantity and length of domestic animations from 2017 to 2021

Unit: Quantity, minutes, total minutes/total quantity

Item	2017	2018	2019	2020	2021	Total	Average length
Animated series	Quantity	4	4	6	6	10	119.83
	Length	727	549	553	385	1,381	
Animated feature films	Quantity	3	2	3	0	1	87.00
	Length	243	175	274	-	91	
5-to-60-minute animations	Quantity	396	145	246	250	414	6.81
	Length	3,734	727	1,816	1,995	1,611	
Animated shorts	Quantity	548	351	1,046	442	220	2.01
	Length	837	611	1,607	1,246	952	

Source: Organized by this survey study.

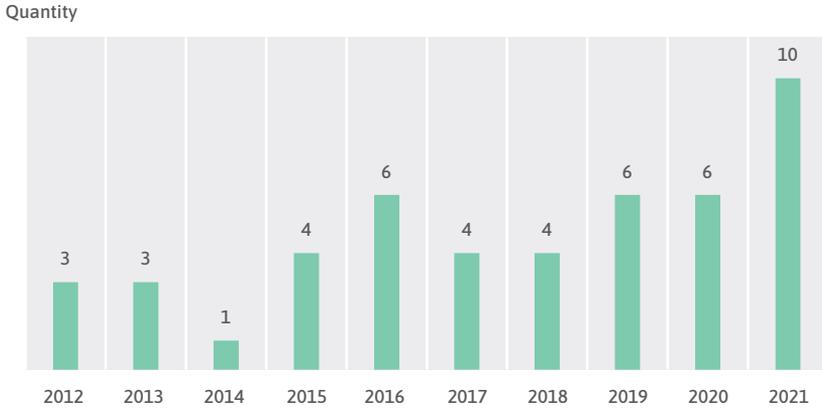
Notes:

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 5 minutes, including online animations but excluding government policy announcement shorts, commercialized animations, and animations for music videos. Considering the many types of animation and the wide array of its applications in 2021, this survey study primarily focuses on original online animations that have the potential to develop into character IPs.

② The animated feature films in this table represent the number of new animated motion pictures released in physical theaters in 2021.

A total of 47 original and locally produced animated series were broadcast in Taiwan in the last ten years, with an average of more than 4 animations made each year. 2021 had the most animated series produced, with a total of ten, including *Jungle King*, *My Papa*, *Pigsy Express*, *Brave Animated Series*, *OMI SKY*, and *2049+Voice Rebirth*, among others.

In terms of the types of content of original domestic animated series in 2021, there were educational science series such as *Omi Sky*, *The Brainy Giant*, and *Yameme Team vs. Math Demon*; animation adapted from same-titled comics, such as *Jungle King*, *My Papa*, *Duckbill: The Animal Detective Eco Adventurer*, and *Brave Animated Series*. *2049+Voice Rebirth* was a sci-fi animation adapted from the *2049* series; and *Pigsy Express* was an original sci-fi series based on *Journey to the West*, starring Zhu Bajie.

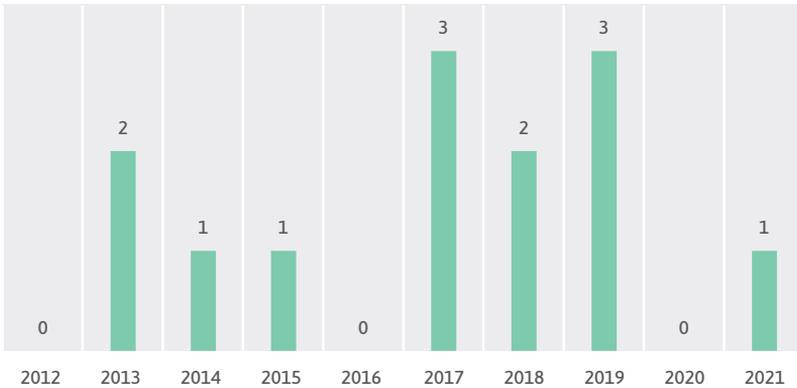


Source: Organized by this survey.

Figure 2-46. Number of domestic animated series premiered from 2012 to 2021

In the last ten years, a total of 13 animated feature films were released in the domestic motion picture market, with 2017 and 2019 each releasing three animated motion pictures. The newly produced original animated film *City of Lost Things* came to theaters in 2021. Most of the original domestic animations in recent years had original screenplays (such as *Barkley the Cat*, *On Happiness Road*, and *City of Lost Things*), with some of the scripts discussing social issues.

Quantity



Source: Organized by this survey study.

Notes:

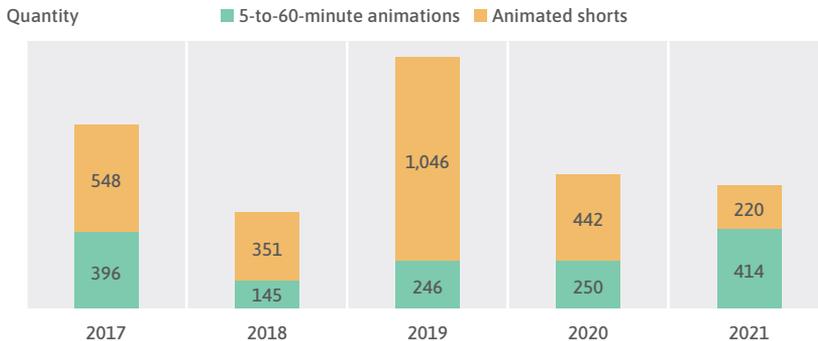
① The animated feature films in this survey refer to animations longer than 60 minutes per episode, including puppet animations and animated motion pictures played during test screenings.

② The animated feature films in this table represent the number of new domestic animated motion pictures released in physical theaters this year.

Figure 2-47. Number of domestic animated series screened from 2012 to 2021

In terms of the volume of domestic short animations, there were 634 produced in 2021. They were mainly based on original images and comic-derived animated works, such as *EggThings*, *Achusan*, *Onion man*, and *Yellow Book*. Furthermore, some publishers have recently entered the animation industry, transforming book series into animations and developing original IPs.

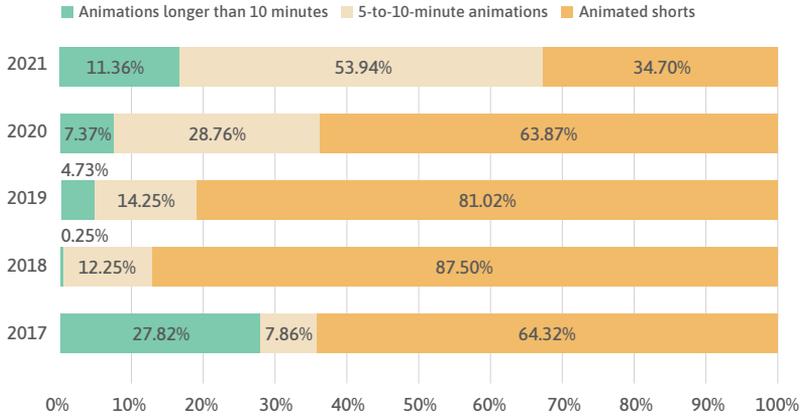
On the whole, Taiwan has rich creative energy and capabilities for generating online animations, with a varied range of creators, including independent animators, illustration animators, and animation studios. In recent years, many new animation creators and people from other industries have engaged in making short animated films as a strategy to promote their own IPs.



Source: Organized by this survey study.

Figure 2-48. Number of online short animation productions in Taiwan from 2017 to 2021

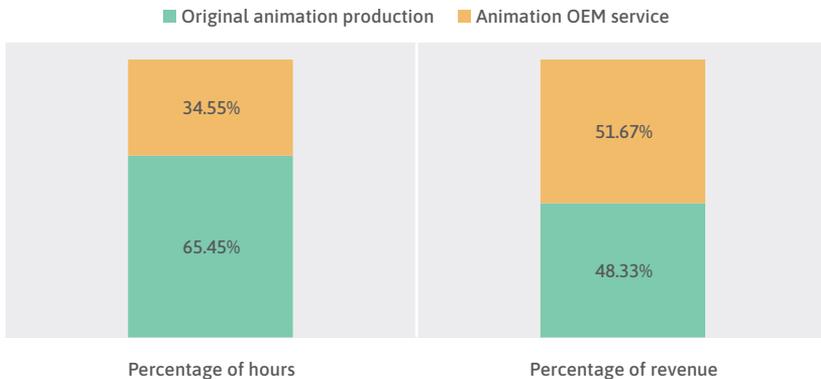
As for the duration of videos, domestic short animations were predominantly animated shorts with less than five minutes per video. However, an increase in the duration of videos could be observed over the years; the share of 5- to 10-minute animations had increased from 7.86% in 2017 to 53.94% in 2021. The proportion of short animations longer than 10 minutes per video had also increased to 11.36% in 2021.



Source: Organized by this survey study.

Figure 2-49. Types of online short animation productions in Taiwan from 2017 to 2021

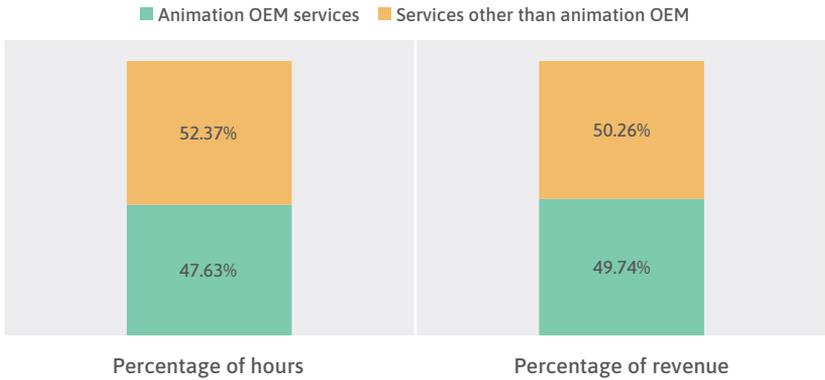
Domestic animation production companies on average spent 68.45% of their time producing original animations in 2021, which was slightly lower compared with the previous year. By revenue contribution, original animations accounted for 48.33% and animation OEM services accounted for 51.67%.



Source: Organized by this survey study.

Figure 2-50. Domestic animation production overview in 2021: animation production industry

In terms of animation OEM and special effects, the proportion of the domestic animation OEM and special effects industry players investing in domains other than animation OEM increased in 2021, indicating a continuous development into other commercial operations.



Source: Organized by this study

Figure 2-51. Domestic animation production overview in 2021: animation OEM and special effects industries

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 Nielsen data, the channels that mainly broadcast animation series in 2021 had ratings that were either unchanged or lower than in the previous year, with the exception of Cartoon Network, which saw increased ratings from the previous year. In terms of ratings for each channel, YOYO TV had the highest ratings, followed by PTV.

Table 2-26. Overview of animation viewership from 2017 to 2021

Channel/Year	2017	2018	2019	2020	2021
CARTN/Cartoon network	0.09	0.07	0.07	0.07	0.08
ANIMX/ANIMAX	0.04	0.03	0.02	0.02	0.02
YOYO/YOYO	0.23	0.23	0.23	0.21	0.20
MOMOK/MOMO Kids	0.14	0.14	0.13	0.12	0.11
PTV/Public Television Services	0.10	0.10	0.12	0.13	0.13

Unit: %

Source:

Nielsen data quoted from the 2018-2022 White Paper on Taiwan Media, Media Agency Association (MAA).

3.4.3. Domestic animated motion picture market – distribution overview

The local outbreak of the pandemic hampered the operation of movie theaters, limiting the number of films released in Taiwan. In 2021, a total of 86 animated motion pictures were released in domestic theaters, of which 60 were Japanese animations, accounting for 69.77% of the total. This was followed by 13 American animations, accounting for 15.12%; two Taiwanese original animation features, *City of Lost Things* and the 4K digitally remastered version of the iconic animation *Grandma and Her Ghosts*, were also published.

In the past five years, a total of 363 animated motion pictures were released in theaters in Taiwan. Among them, Japanese animations claimed the biggest share, with a total of 246, accounting for 67.77%, followed by American animation, accounting for 17.08%, with a total of 62.

Table 2-27. Source countries of animated feature films screened by domestic movie theaters from 2017 to 2021

	2017	2018	2019	2020	2021
Taiwan (R.O.C.)	3	1	3	2	2
Japan	31	31	46	78	60
Spain		1	1	1	
Netherlands			1	1	
France	1	3	1	4	2
Korea		1	1	5	1
United States	10	14	14	11	13
United Kingdom		3			1
Thailand		1			
Germany			4	4	3
Pakistan					1
Hungary					1
Russia					1
Norway					1
Total	45	55	71	106	86

Source:

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.

Notes:

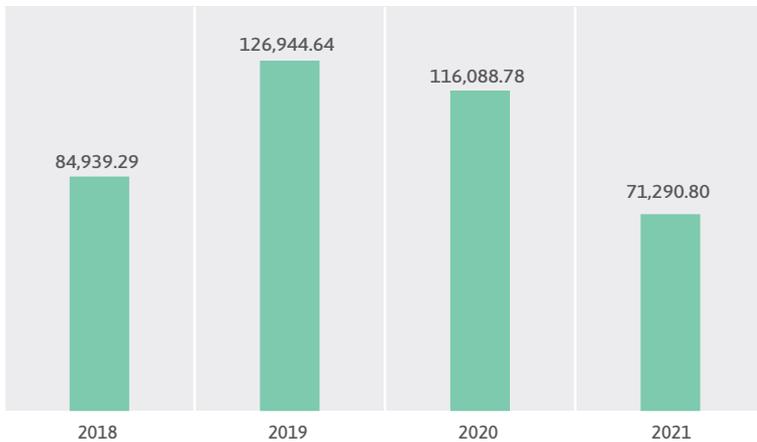
- ① The animated motion pictures in this survey refer to animations longer than 60 minutes per episode, including puppet animations and animated motion pictures played during test screenings, as well as short animations that are shorter than 60 minutes.
- ② This section includes animated motion pictures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

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, the 2021 box office for animated motion pictures in Taiwan was approximately NT\$713 million, a decline of 38.59 % compared to 2020. This was mainly due to the impact of the level 3 epidemic alert and accompanying prevention measures (such as staggered seating).

In terms of the box office performance of animated motion pictures from various countries, Japanese animations and American animations were the stronger performers, accounting for 53.07% and 43.86%, respectively. The American cartoon *Soul*, which was released across the year at the end of 2020, had the highest box office gross in Taiwan, totaling NT\$148 million, followed by the Japanese anime *Detective Conan: The Scarlet Bullet*, which grossed NT\$65.43 million at the box office.

NTD (NT\$10,000)



Source:

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.

Note:

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.

Figure 2-52. Animated motion picture box office in Tiawan from 2018 to 2021

In 2021, there were a total of 65 newly released animated films in Taiwan, bringing in about NT\$505 million collectively. Among them, Japanese animations accounted for the highest proportion of the box office, at around 63.88%.

Table 2-28. Newly released animated motion picture box office in Tiawan from 2017 to 2021

Unit: NTD (NT\$10,000)

	2017	2018	2019	2020	2021
Taiwan (R.O.C.)	817	1,238	859	-	146
Japan	33,245	19,788	51,884	94,279	32,240
Spain	-	2	14	-	-
Netherlands	-	-	14	-	-
France	333	553	2,322	845	19
Korea	-	195	2	2,486	192
United States	63,176	62,777	111,053	16,072	16,386
United Kingdom	-	277	-	-	115
Thailand	-	61	-	-	-
Germany	-	-	236	1,144	720
Pakistan	-	-	-	-	17
Hungary	-	-	-	-	379
Russia	-	-	-	-	238
Norway	-	-	-	-	22
Total	97,571	84,891	166,356	114,828	50,474

Source:

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.

Note:

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.

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 60.15%), 23 Japanese animated films (39.32%), and one French animated film (0.53%). Taiwanese animated films did not break into the top 50.

Among the 13 animated feature films surpassing the NT\$100 million-mark at the box office in the past five years, ten were American animations, and three 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 2-29. Source countries of the top 50 highest-grossing animated feature films in Taiwan from 2017 to 2021

Unit: number of films, %, NTD(NT\$10,000)

	Number of motion pictures	Percentage of motion pictures	Box office	Box office percentage
Japan	23	46.0%	171,007	39.32%
France	1	2.0%	2,322	0.53%
United States	26	52.0%	261,586	60.15%

Source:

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.

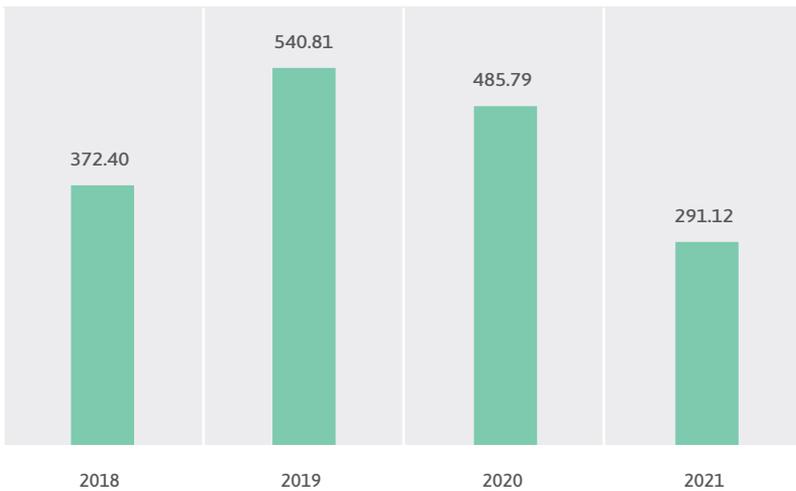
Note:

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.

3.4.5. Animated motion picture average views in Taiwan

The total annual viewing of animated feature films in theaters in Taiwan was 2.9112 million, a decrease of 40.07% from the previous year, with an average of 34,000 views per film. This was mostly due to the impact of the local epidemic on the operations of the screening industry, which made people less likely to visit theaters.

10,000 people



Source:

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.

Note:

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.

Figure 2-53. Total views of animated motion pictures by various countries in Taiwan from 2018 to 2021

Due to a fall in the overall number of moviegoers in 2021, the average number of views of animated feature films by various countries decreased from the previous year. The fall in American animated motion features was relatively moderate, owing primarily to the success of *Soul* at the box office.

Table 2-30. Average views of newly released animated motion pictures by various countries in Taiwan from 2017 to 2021

Unit: Views in theaters, views/number of motion pictures

Country/Year	2017	2018	2019	2020	2021
Taiwan (R.O.C.)	9,439	32,536	9,501	-	10,275
Japan	43,243	20,100	46,596	189,093	26,526
France	15,688	6,248	105,065	25,014	504
United States	273,048	144,527	340,292	170,796	100,955
United Kingdom	-	4,115	-	-	4,538
Korea	-	8,526	100	48,195	8,136
Germany	-	-	3,322	49,648	11,121
Other countries	-	1,405	647	-	7,449
Average number of views each year	91,445	50,325	100,876	165,574	35,308

Source:

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.

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.

3.4.6. Primary distributors for animated motion pictures in Taiwan

In terms of animated feature film distribution in the past five years, the distributors with over 30 films distributed each were GaragePlay, Muse Communications, and Mighty Media. They mostly distributed Japanese animated films. American animations were distributed by Hollywood studios such as Walt Disney and Universal Studios.

Regarding the distribution of domestic animated feature films, there was no dominant distributor. MonkeyMoviesTW, Shine Time Entertainment, Vievision, and iFilms had all released domestic animated feature films. It is worth noting that the distribution strategy of animation films is different from that of regular motion pictures and requires long-term market observation and accumulation of experience. The production capacity of Taiwanese animated feature films confined the distribution capabilities and experience of local distributors.

Table 2-31. Main distributors of animated motion pictures from 2017 to 2021

Unit: Number of animations, %

Name of distributor	Quantity	Percentage
GaragePlay Inc.	48	13.37%
Muse Communication Co., Ltd.	39	10.86%
Mighty Media Co., Ltd.	34	9.47%
Crown Films Co., Ltd.	24	6.69%
The Walt Disney Company (Taiwan) Ltd.	18	5.01%
CaiChang International, Inc.	16	4.46%
Applause Entertainment Limited Taiwan Branch (H.K.)	15	4.18%
Universal Pictures Corporation of China Taiwan Branch (U.S.A.)	13	3.62%
Cola Films Co., Ltd.	12	3.34%
Light year images co., Ltd.	11	3.06%

Source: Organized by this survey study.

3.4.7. Overview of animation broadcast on domestic OTT platforms

As of May 8, 2022, approximately 7,926 animations were listed on CATCHPLAY+, friDay Videos, KKTv, LINE TV, Netflix, LiTV, PTV+, myVideo, and iQiyi International, representing a 30.62% increase over the previous year. The number of listed works has significantly increased for two consecutive years. In order to strengthen the competitiveness of their own content libraries, major OTT platforms have continued to upload film and television works over the past two years, and animation content is also a type of work actively deployed by each platform. For instance, Netflix revealed in early 2021 that 40 Japanese anime, including series IP animations and original animations, would be distributed that year, which was twice as many as in 2020. ¹⁶ Domestic OTT platforms such as CATCHPLAY+ and KKTv also actively launched many animated works in 2021.

As for Taiwanese animations, only 24 new original animations were released in 2022, continuing a three-year decline in the number of animations. This was largely due to the domestic animation production capacity and content standards. However, it was observed that the quantity of original domestic animations on OTT platforms increased in 2021, and that several works were released on various OTT platforms. *The Brave Animated Series*, for instance, was the first Taiwanese original animation released on Netflix.

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.

¹⁶ See https://about.netflix.com/zh_tw/news/netflix-returns-to-this-years-all-virtual-animejapan-celebrating-diverse

Table 2-32. Animation released on OTT platforms in Taiwan from 2018 to 2022

A: Number of domestic animations B: Total number of animations Unit: Number of animations

Platform	2018		2019		2020		2021		2022	
	A	B	A	B	A	B	A	B	A	B
CATCHPLAY+	2	79	3	206	4	332	2	775	2	1,128
LINE TV	3	60	3	203	4	338	7	629	3	863
Hami Video	10	334	-	675	13	205	1	828	2	972
friDay Video	17	481	37	411	73	709	73	910	8	1,083
myVideo	-	-	2	391	1	552	3	757	5	886
LiTV	-	-	9	577	5	632	1	807	1	954
Yahoo TV	3	136	-	-	-	-	-	98	-	41
Netflix	-	263	-	294	-	557	-	219	1	548
iQiyi International	3	719	6	636	-	480	4	244	-	364
KKTV	-	15	2	290	1	558	1	797	1	1,079
PTV+	4	4	3	3	4	4	2	4	1	8
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	24	7,926

Source: Organized by this survey study.

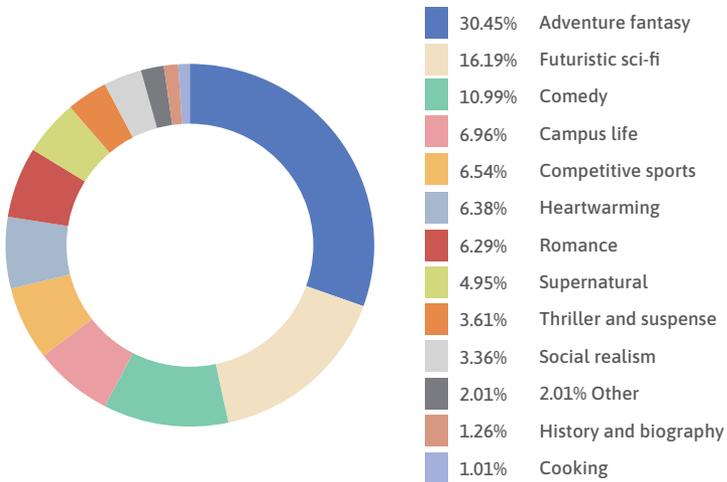
Notes:

- 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, 2021/06/29 to 2021/07/05, and 2022/04/07 to 2022/05/08.
- ② The years stated in this table are data retrieval years, not animation broadcast years.
- ③ The number of domestic animations given in this table corresponds to the number of domestic animations published on each platform; cells with a dash (-) indicate that no domestic animation was released during the year.
- ④ Coture stopped its services on March 31, 2020.

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 that specializes in broadcasting domestic animations.

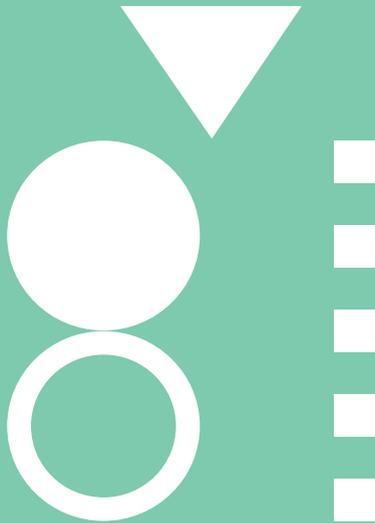
According to this study, as of March 31, 2022, a total of 1,192 animations have been acquired by the Bahamut Anime platform. The acquired animations included animated series, animated feature films, and animated shorts. The genre of animation was mainly adventure fantasy (accounted for 30.45%), followed by futuristic sci-fi (16.19%), comedy (10.99%), and campus life (6.96%).



Source: Organized by this survey study.

Figure 2-54. Types of animations broadcast on the Bahamut Anime platform

III FORECAST



01

Television Industry

1.1. Digital development trends

1.1.1. Reaching out to potential audiences by editing the same content into multiple versions and formats

The shift in how consumers consume audiovisual material influences the production strategies of content creators. In addition to coming up with various innovative themes and short videos that fit the needs of the digital native generation (i.e., Generation Z, or Gen Z for short), television channel operators are engaged in the reuse and modification of existing content to reduce production costs. For instance, a single piece of content can be simultaneously altered into a loop version, a conventional play length version, a 15-minute highlight version, and three-minute and five-minute short clips for marketing. In this approach, it may simultaneously address the viewing needs of diverse audiences and implement broadcast strategies for existing channels and online platforms.

1.1.2. Large international platforms deploy strategies for the sale and production of short videos in order to compete in the audiovisual market

TikTok's short video feature has demonstrated that short video content can be utilized flexibly and is popular with audiences. Among the numerous applications are online marketing and advertisement, viral video diffusion marketing, guiding and promotional videos broadcast by cultural institutions during the pandemic. YouTube and Meta have recently launched the YouTube Shorts Fund and the testing of Instagram Reels Ads, respectively, in an attempt to compete with TikTok in the short video market in 2022.

This development may have an impact on content production, marketing, and broadcasting for industry players. In the past few years, the video industry has been experimenting with different formats and lengths of video content by making miniseries (1–5 minutes per episode) and microdramas. YouTube’s monetization strategy for video shorts will encourage content creators to actively participate in content development. In terms of marketing and broadcasting, short video advertisements may become increasingly popular because they allow information to travel swiftly via social media and reach potential target groups.

1.1.3. Innovative television content promotion strategies that make use of the NFT and metaverse concepts

Since 2021, the popularity of the “Metaverse” and “Non-Fungible Token (NFT)” has skyrocketed, and the television industry has quickly responded and followed suit. Overseas industry players have been involved in the development and application of these trends, as evidenced by programs like the American version of *Mystery Music Show: King of Mask Singer* and South Korea’s *Infinite Challenge*, both of which released their own NFT of characters or classic program highlights. Furthermore, the issuing of NFTs encourages startup enterprises to participate in the early production and investment of series or animated content. Some even go so far as to engage audiences in dictating storyline and script direction. Other examples include South Korea’s MBC TV station developing the “Akaibeu by MBC” platform for displaying and selling NFTs, and equipment manufacturer Samsung offering digital TV products with NFT-related functions in 2022.

In terms of domestic development, the majority of them are currently pursuing marketing and public relations strategies that combine fan economy and the NFT trend. The goal is to improve brand recognition and increase fan loyalty to program IPs and stars. In terms of television-related NFTs, the sports reality show *All Star Sports Day* gifted a limited amount of NFTs of star players’ highlights as collectibles to their viewers, while the idol-making talent show *Atom Boyz* issued a range of collectible cards. When fans purchase those cards, they enjoy additional privileges such as priority concert tickets, increased votes for their favorite idols, and discounts on peripheral merchandise. Paid NFTs in dramas use greater publicity and application approaches. TransWorld,

for example, converted the mythical beasts from the classic television series *Fire Phoenix* into character NFTs (dubbed “BIBOVERSE”); *Gold Leaf* collaborated with NFT platforms to launch dynamic NFTs of the series’ characters and costume manuscripts for their audience to collect, providing opportunities for fans to interact with the leading characters; and *Light the Night* launched a puzzle-solving NFT to extend the series’ elements to offline activities, creating interactive experiences with their viewers.

It is worth emphasizing that the program brand itself remains at the heart of combining NFTs and fan economies. The series’ material is critical to achieving the goal of merging NFTs into the ecosystem of various applications and authorizations of content IP. For example, in December 2021, South Korea launched character NFTs based on the major characters of the large-scale television series *Jirisan*. However, the NFTs did not earn bonus points because the audience reception to the drama itself was not as positive as expected.

1.1.4. Domestic broadcasting platform competition and collaboration encourage cross-industry resource and traffic sharing

The number of cable television subscribers in Taiwan has been declining year after year while the number of broadcasting channels for audiovisual material has increased. The overall number of subscribers in 2021 was 4.7401 million, a 2.62% decrease from 2020. The industry’s previous revenue model no longer works, and it is critical for television platform operators to establish innovative business models. Aside from the steady development of original content, TV platform operators have recently deepened their cooperation and partnership with OTT platforms. This includes integrating digital telecommunications benefits such as enhancing network broadband services, setting up TV boxes, and sharing stable network bandwidth, content, and consumer resources. This has increased consumers’ desire to apply for these services, resulting in a win-win situation for all three parties.

1.2. Dynamic development of the television industry ecosystem in Taiwan

1.2.1. Innovative cross-sector collaborations between television content development, production, and broadcasting

The global COVID-19 pandemic has disrupted the entertainment and cultural sectors' years of practical experience and development, but it has also spurred the impacted cultural and creative industries to consider cross-industry cooperation and new development opportunities under the crisis. In terms of industry development, the content creation end has already produced content via cross-border joint productions or remote collaborations, as demonstrated by the Taiwanese-Japanese collaborative drama, *See You After Quarantine?*, as well as the music documentary jointly produced by Taiwan and New Zealand: *Your Island, My Home*. The key challenges for the former drama were the difficulties of remote filming and cooperation between actors and crew. The latter program allowed audiences to partake in the documentary through remote collaboration methods such as video conference, email, and social media. These are some examples of how the industry uses production strategies to quickly adapt and respond to changes in the environment.

Furthermore, given the increased scale of content production and the limited budget for independent production at the broadcasting end (such as television channels), online video content previously solely available on the Internet may now be aired on television. For example, the travel reality show *Let's Go Home* was originally only available on streaming platforms, but the style of the program and the overall reception of the first season piqued the interest of TV stations, prompting television channels to become a new broadcasting route for the program's second season. This aids in the integration of television industry resources and the expansion of access to more potential audiences.

Moreover, live art and cultural performances such as talk shows and traditional operas were broadcast online during the outbreak. However, live experiences cannot be easily translated via camera, television, or mobile devices. Therefore, it is still necessary to consider the integration of various production models in order to help the TV industry and cross-disciplinary cultural content achieve mutual success. *Tavern by the Lethes*,

a 2021 television series that combines aspects of Taiwanese opera, modern musical theater, and television post-production special effects, is a fine example of achieving this result.

1.2.2. The repercussions and opportunities for the domestic television industry amid global economic fluctuations and cautious investment by international platforms

Due to the impact of the global pandemic and changes in the international political and economic climate, foreign channels have become more conservative and cautious in their readiness to invest in original IP content in recent years. This shift is more likely to lead to an “investing instead of purchasing” model for final products, which is not conducive to Taiwanese production companies gaining favorable investment. Furthermore, copyright purchases may be restricted to Taiwan or specific regions before the purchase of overseas broadcasting rights can take place. Productions must have a market reputation or win awards before their overseas broadcast rights are purchased. However, the cost of broadcast rights is low, which again increases the risks associated with investment returns from content productions.

In terms of distribution, marketing, and broadcasting channels, operators who have acquired content production and broadcasting resources have embraced collaboration models with various overseas OTT platforms and television channels. They actively establish cross-border collaborations to obtain global exposure while developing potential markets in Southeast Asia, Europe, and the United States.

To encourage user growth in the consumer market, international OTT platforms that provide subscription video on demand (SVOD) services have continued to expand their libraries and offer multiple subscription plans. Recent signs, however, such as the closure of LINE TV in Thailand, the addition of advertising video on demand (AVOD) and the free ad-supported streaming television (FAST) function by Netflix in the Americas, and the rapidly growing popularity of Roku, a legal TV box, in the United States, all indicate that consumers are shifting their preferences. They choose to watch content at a reduced cost rather than pay subscription fees for several sites.

1.2.3. The risk of production and sales imbalance resulting from reliance on specific international platforms and a lack of specialized export experience

Since international OTT platforms have expanded around the globe, they have used their financial and user advantages to generate localized content in several regional markets, launching several noteworthy productions. Netflix and Apple TV+, for instance, invested in and launched the original series *Squid Game* and *Pachinko* and encouraged content creators to invest in the production of large-scale crime and horror content. As international OTT platforms became less eager to invest in recent years, the supply of domestic content may exceed demand, and its high production costs make it difficult for local broadcasters (OTT platforms, TV channels, etc.) to cover.

1.2.4. International dialogue on the positioning and governance of OTT

The rise of multinational OTT platforms continues to impact the global film and television industry's ecosystem. Specifically, the OTT platform industry serves as both a platform and a content provider, and its way of distributing video content is distinct from that of TV channels and cable system operators, who are required to secure business licenses from a competent authority. Competition in the audio-visual consumer market, the strength of local professionals in the industry, and network traffic in various countries have prompted representative regions and national governments to consider how to effectively manage or assign these platforms' corresponding obligations and responsibilities.

For example, the EU, through its Audiovisual Media Services Directive (AVMSD), manages and encourages platforms to invest in and promotes localized content in collaboration with the private sector. After requiring large overseas platforms, like OTT, to pay reasonable network usage fees, the South Korean government is now seeking to make domestic TV companies and local OTT platforms more competitive through legislative reforms.

The draft structure of the Internet Audiovisual Service Management Act (OTT TV Law) announced by Taiwan's government at the end of May 2022 references the normative structure of the EU's Digital Services Act (DSA) draft for digital communication intermediary services, adopting

a hierarchical management and necessitating operators to prevent infringement, practice self-regulation, and invest in local content production. Due to the fact that the existing industry-academic circles have not achieved a consensus on whether or not OTT should be governed by a specific law, it is required to refer to further international discussions and local industry viewpoints for further planning and evaluation.

1.2.5. Development and strategic planning of television content IP licensing

Taiwan continues to encourage the development of cultural content IP integration and cross-domain applications, helping to extend the value of potential productions and fostering the growth of associated sectors. To date, the industry has paid attention to the difficulties surrounding the many components of cross-domain content adaptation and is currently addressing them.

In terms of early-stage content development and adaptation, as foreign cultural content competes for the domestic market via the internet and video streaming platforms, local consumers have easy access to quality story content from all over the world. Therefore, regardless of whether the content is original or an adaptation of an existing IP, it is essential to collaborate with storytellers from many disciplines. The content development end is now attempting to embrace a team development working model. They introduce talents with rich life experiences from other industries, such as journalists and senior professionals with backgrounds in multiple fields. It is hoped that these individuals will provide story ideas, and enhance character development, and surrounding materials, helping the screenwriters improve the overall drama structure and collectively complete the adaptation of the script, thereby bolstering the story's appeal and adaptation efficiency.

In the content production and filming process, the participation of the original author in the drama production and the plot's adherence to the spirit of the original work have become crucial to script adaptations. Through technical help and consultation, the original author can supervise the plot's specifics. While the team is engaged in creative production, the scriptwriter can develop a connection with the author's text and even capture the attention of existing fans of the original work.

Moreover, creating an environment that encourages effective and critical reading of text from different sources, as well as providing a credible third-party platform recommendation and grading system to aid in the effective exposure of possible texts, remain important. The strengthening of local citizens' exposure to more domestic stories will provide consumers with the opportunity to deepen their grasp of local themes and build a fan base for specific genres. A reliable third-party recommendation and scoring mechanism will also assist adaptors and translators in identifying the market and selecting appropriate themes, thereby reducing translation and investment risks and enhancing the opportunities that adapted texts will meet market demand.

1.2.6. The ecosystem and prospects of online video content

The content produced by online video content creators (YouTubers) through the management of YouTube channels and the establishment of professional production teams has grown significantly over the past few years. The developed content can entice broadcasters to release or provide it on online platforms and television channels. Representative industry leaders also organize associations to assemble creators in a manner similar to multi-channel network (MCN) brokerage but without a contract. This helps facilitate communication and negotiation between the creative and broadcasting sides.

It is important to note that the business models of the aforementioned video content creators (whose platforms are predominantly based on YouTube channels) who have already achieved profitability rely on a business model that depends on collaborations with the advertising industry, paid memberships, and sponsorships. Furthermore, the necessity to modify broadcast content in accordance with YouTube's "yellow tag" mechanism for explicit content has a significant impact on content development. Similarly, when YouTube introduces a profit plan for creators of video shorts in the near future, it will bring about other changes to the online video content ecosystem.

1.2.7. Integrative thinking on the cultivation of celebrity idols

In recent years, television programs such as the sports reality show *All Star Sports Day* (2020), the talent shows *Dancing Diamond 52* (2020), *THE RAPPERS* (2021), and *Jungle Voice 3* (2020), have led to an increase in talent competition and idol development. *Atom Boyz*, a 2022 idol-making talent program, integrate many resources, including game companies, performing arts and model agencies, TV production houses, and television networks. These broadcasts once more drew the attention of domestic viewers to the making of local stars. Following the airing of these programs, the concert tickets sold out, and the attendance at commercial performances demonstrated a considerable level of national recognition.

In the past, stars were made through idol dramas, which once established Taiwan's export of dramas, shows, and talents to China and Southeast Asia for an extended period of time. Nowadays, even though the strategy of nurturing domestic stars through talent shows has yielded initial success, it remains to be seen if it can be sustainably successful in the future. Specifically, a talent show usually recruits close to a hundred new performers, and whether the current domestic performing arts academies and the level of talents cultivated by performing arts management organizations can meet the urgent content requirements of the program remains a key discussion point. The nation must continue to implement additional talent training programs in order to supply sufficient talent resources in a timely manner while working to create outstanding texts and literature in the sector.

02

Motion Picture Industry

2.1. Digital development trends

2.1.1. The global box office is steadily recovering, although it has not yet reached pre-pandemic levels

According to the *THEME Report 2021*, published by the Motion Picture Association of the United States in March 2022, entertainment venues have progressively reopened in many locations as a result of the pandemic's gradual decline. In 2021, this brought the global box office to US\$21.3 billion. Although it climbed by 81% compared to 2020, it was only approximately 50% of 2019's box office of \$42.3 billion. The pandemic has altered people's movie-viewing habits, and larger incentives are required to entice consumers to watch films in theaters; otherwise, there will be a polarization of content broadcast in theaters.

2.1.2. Vertical integration of audiovisual services

The pandemic has altered the previous habits of audiences (such as going to theaters to watch movies, etc.), leading to a steep decline in the revenue of cinemas. Traditional film companies are evaluating the viability of online video platforms. Disney, for instance, launched its own platform, Disney+; Paramount Global upgraded the original CBS All Access to Paramount+ and relaunched it in March 2021; Warner Bros., which owns HBO Max, also announced that it will combine HBO Max and Discovery+ into a single streaming platform in the summer of 2023, thereby enriching the video content on its own platform.

2.1.3. Immersive virtual reality experience brought forth by digital convergence

With digital convergence, movie viewing is no longer restricted to 2D or 3D; VR (virtual reality) immersive experiences are also available. The advent of virtual reality films has provide a new way for people to watch movies, introducing new viewing options compared to traditional films. Through virtual reality, the viewer can enter the film's world from a first-person perspective and possibly control the plot, creating a novel viewing experience.

Presently, the development of VR films is hindered by difficulties such as expensive production costs and limitations of hardware equipment (such as VR headsets, which have not yet achieved widespread utilization). In addition, the content creation of VR films differs from that of traditional films. For example, the creation of traditional screenplays is based on the narrative structure, but VR content imbues images with spatial information, therefore requiring script production to include a variety of spatial settings. In terms of visual presentation, the transition from static to dynamic imaging still requires technological improvement.

Virtual reality use in motion pictures still has a lot of technological components that need to be worked out, but it is predicted that with the continued application of VR technology, audiences will have a greater grasp of the emotions of characters and the complexities of narratives. This can serve to improve the public's experience of seeing movies in live cinemas. We may continue to pay attention to the impact and development of virtual reality and other cyber-physical integration technologies on the motion picture business in the future ¹⁷ .

¹⁷ Award-winning director discusses the development of VR images - the essence of creativity is to challenge; and the discovery of new media is a fascinating journey: <https://www.thenewslens.com/feature/2022tccf-innovation-exhibition/174715>

2.1.4. Reduced release window by major publishers in the post-pandemic era

OTT platforms have also become an essential part of the worldwide film market in the post-pandemic era. Prior to the outbreak, the North American film release window was approximately 90 days. However, as a result of the pandemic, entertainment venues are bound by appropriate rules, and a new time frame agreement with publishers in the post-pandemic era was made in 2021. Disney, Paramount, and Warner Bros., for example, have established a 45-day window arrangement with major North American theaters. Universal Pictures has reduced it to 17 days, but it must encompass three weekends, and if the film grosses more than \$50 million in its opening weekend, the window length will be extended to 31 days.

Furthermore, the French Ministry of Culture and key representing firms signed a media chronology agreement (*chronologie des médias*), under which cinemas retain the right to exclusive transmission for four months (if the number of viewers of the film is less than 100,000 within four weeks, it can be shortened to three months). The window term for paid TV channels that have signed a content investment agreement with the French film industry (such as Canal+ or OCS) has been lowered from 8 months to 6 months. Unsigned channels might begin broadcasting nine months after their first release. Because of the SMAD (*Services de Médias Audiovisuels à la Demande*, or *Audiovisual Media Services on Demand*) Act, various platforms in France and Europe invest a portion of their revenues in content creation, shortening their broadcast window. Netflix's window, for example, was lowered from 36 months to 15 months, while Disney+ and Amazon Prime Video were shortened to 17 months.

2.1.5. Movie theaters upgrade their hardware equipment in response to changes in consumer behavior.

As a result of the pandemic, many people have switched from “offline” (i.e., in person) to “online” consumption patterns. Theaters have upgraded their hardware in response to the impact. AMC, for example, collaborated with Zoom to offer Zoom Rooms in 17 AMC movie theaters across the United States. Customers can reserve their favorite movie theater as a meeting space online. Furthermore, the public departments of various countries have also provided subsidies to movie theaters to help them upgrade their equipment. For example, Italy, Scotland,

Germany, and other countries have lately launched programs to renovate and upgrade hardware equipment (such as speakers, screens, projectors, and so on) for movie theaters.

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

2.2.1. Annual box office and audience composition affected by the pandemic alert

The total box office of Taiwan's overall motion picture industry was approximately NT\$4.964 billion in 2021, a reduction of 3.77% from 2020 and a declining trend for two consecutive years. Although the rate of reduction slowed over the past year, it has not yet returned to the 2019-level. Movie theaters were closed for two months during the COVID-19 pandemic alert period, and measures such as staggered seating had to be enforced even after the alert was lifted, affecting audiences' inclination to visit theaters. Furthermore, the audiences' composition has altered as a result of the pandemic, which was tied to the movie theater's location. Community-based cinema audiences, for example, are more family-oriented.

2.2.2. The slowing of the pandemic has resulted in a steady resurgence of international exchanges in the film industry

Several domestic motion pictures received international investment in 2021, from countries such as China, Hong Kong, Japan, South Korea, Malaysia, and European countries (Austria, France, and Belgium, to name a few). Forms of collaboration were not limited to financial investment but also included the cooperation of creative personnel and technicians. International exchanges have progressively resumed as the pandemic in many nations has slowed and pandemic prevention measures have been lifted. For example, international fairs and festivals have resumed, and international plans for joint production have also been put into action one after another.

2.2.3. Domestic motion pictures continue to diversify marketing strategies

Many forms of self-media have evolved as a result of digital convergence. In addition to the standard social media platforms like Facebook, Instagram, and YouTube, TikTok and others can be used to attract a younger audience through the sharing of short videos. Motion pictures can even collaborate with podcasters and key opinion leaders (KOLs) who specialize in film. For example, the movie *Terrorizers* created a *Terrorizers Podcast Special* in which the cast discussed behind-the-scenes events on air in order to promote and advertise the picture. Fiona Roan, the director of *American Girl*, talked about how to reconcile with family members who love and hate each other on podcast programs and promoted the film in an unconventional way; the lead actors of *Waiting for My Cup of Tea* shared their love views on TV and promoted the film. It is envisaged that new media would allow the target audience that was not previously addressed to be broadly reached.

2.2.4. Movie theaters attempt to offer a variety of content types

Due to filming delays caused by the pandemic, many movies have been canceled or postponed. Cinemas are experiencing a lack of fresh films to screen. Consequently, a number of theaters chose to expand and showcase other types of content, such as staged plays, talk shows, and musicals. In addition, Century Asia opted to show more indie movies with a small target audience but high attendance rate, such as Japan's *Mind Game*, South Korea's *Gisaeng*, etc., in an effort to appeal to a wider range of moviegoers.

2.2.5. International OTT platform development threatens movie production capacity

The rise of international OTT platforms in recent years has changed the public's movie-viewing habits, which in turn has altered the ecology of the global motion picture and television industries. Taking Taiwan as an example, international OTT platforms have actively invested in and purchased domestic television series over the past few years, which has led to an increase in overall production numbers and quality in the industry as well as an increased market discussion and attention for productions. This resulted in the transfer of talents and resources from the domestic motion picture industry to the production of television series. This exodus harmed the production capacity of the former industry. As a result, there were fewer feature-length movies released in 2021 than the year before.

At the same time, OTT platforms actively acquire motion picture and television content to add to their own libraries, resulting in an increase in film purchase costs for film distribution agents. This fact may have further consequences for related businesses.

03

Animation Industry

3.1. Digital development trends

3.1.1. The technology employed in animation production is increasingly diverse and extensive

As technology and the market develop, the applications of technology to animation become more extensive, resulting in more types of animation. To make animations more dynamic, animated content may incorporate a combination of 2D and 3D animation, the use of CGI (computer-generated imagery), or the addition of a moving 2D overlay. By merging the characteristics of 2D and 3D animation (such as vivid colors and captivating imagery), it offers users a greater variety of visually engaging experiences.

Furthermore, as AR and VR technology matures, animation companies can use VR technologies to create virtual objects and provide interactive experiences to consumers. This can enhance the story's appeal and depth, thereby attracting a larger number of potential audiences.

3.1.2. The era of digital transformation and the epidemic fueling demand for visual animation and special effects in various industries

In response to the era of digital transformation and the effects of the pandemic, commercial exhibitions and performances have switched to online formats in recent years. Some venues have launched online performances, resulting in a rise in demand for visual animation and special effects designs. The National Theater and Concert Hall, for example, launched the first immersive 5G virtual reality production, *Lunatic Town*, combining 5G technology, motion capture technology, and live performances.

3.1.3. The animation industry utilizes NFT to explore new business models

In response to the recent rapid development of NFTs, several animation businesses have begun investing in the NFT industry in the hope of discovering a new business model for animated content using this technology. Currently, the majority of NFT applications in the animation business are for peripheral products, while some industry participants use NFT as a fundraising tool.

For example, FOX announced the launch of the animation series *Krapopolis* that only exists on the blockchain and simultaneously planned a unique NFT to interact with fans; Netflix's adult animation series *Love, Death, and Robots* organized limited NFT treasure hunts for each of its third-season episodes; the animation studio Toonbox Studios used NFT as a channel for raising funds for the animation series *Take My Muffin*; the NFT collection platform Veve and Pixar Animation Studios cooperated to launch *NFT PIXAR PALS*, selling the NFTs of five classic characters from Pixar Animation Studios in the form of blind boxes.

In addition to launching NFT products with animated content, Japan's Toei Animation tried to animate the NFT art *Zombie Zoo* into *Zombie Zoo Keepers*. Moreover, the recent ongoing development of Web 3.0 and NFT has raised the demand for animation special effects such as 2D and 3D animations.

3.2. Dynamic development of the animation industry ecosystem in Taiwan

3.2.1. Taiwan's original animation is still primarily dependent on public-sector resources, but funding from outside the industry has begun to increase in recent years

The production of original domestic animations, whether animated series or animated films, requires significant time and financial investment. To maintain production quality, funds from both within and out of the industry are required. When it comes to the funding sources for Taiwan's original animations, government entities such as the Ministry of Culture, the Ministry of Science and Technology, and the Ministry of

Education remain dominant. Through strategic planning for the future, public television invested in the development of original animations in 2021, driving the increase of animation production projects. In addition to publicsector resources, participants in other cultural industries have recently begun animating pre-existing cultural content.

3.2.2. Animated short video production is brimming with vigor, with new entrants eager to develop original IPs

In recent years, the Taiwanese animation industry has been brimming with energy for the creation of short animations, and its diverse creators include independent animators, illustration animators, and animation studios. Many new animators have explored the production of online animations in recent years, and there are also short video animations from other fields. In addition, some existing animation studios are attempting to develop and authorize products in other fields, promote the intellectual property development of original characters, and then extend the product's shelf lives. ParentingTV, for instance, has animated a portion of its existing children's content, while DNAXCAT has introduced its own game products.

3.2.3. The pandemic has altered consumer viewing habits, affecting the box office performance of animated motion pictures

In terms of the market performance of the motion picture industry in 2021, the nationwide epidemic alert that started in mid-May caused the shutdown of cinemas, significantly affecting the box office in Taiwan.

The low-willingness of family customers to see movies in theaters during the pandemic, affecting the box office of animated motion pictures that primarily target children and families. As a result, the total box office for animated motion pictures in Taiwan in 2021 was approximately NT\$713 million, which was a sharp decline of 38.59% from the previous year.

3.2.4. Taiwanese animation seeks to adapt texts from various medium in order to reach a wider audience

In the past, Taiwan's animation business was mostly centered on original characters and screenplays, with the majority of works catered to children. Participants from a variety of businesses also attempted to launch peripheral products. They hoped to gain market visibility and build new business models by transforming original characters into character IPs.

However, since developing original characters requires time, the industry has recently attempted to animate characters and texts that have been validated by the market. Industry players hope the adaptation of text from various sources can increase the richness of stories and themes in productions, thereby expanding the potential of existing IP.

In 2021, for example, the number of animations derived from other existing materials has increased, including comic book adaptations such as *Jungle King*, *My Papa*, *Brave Animated Series*, and *Duckbill: The Animal Detective Eco Adventurer*, while *Little Boys – A Nee Gu Season 4* was adapted from literature. All of the above were existing characters and IPs that were transformed into animated content in order to diversify story styles and broaden the target demographic.

3.2.5. The limited length and number of episodes of Taiwan animation affects the chances of exposure on TV and OTT

A single episode of Taiwan's animated series is comparatively shorter than the standards of programs broadcast by regular commercial television channels. It is also challenging for TV stations to establish program schedules due to the extended delay between seasons of animation programs. As a result, exposure opportunities for domestic animated series on television networks are reduced. Currently, the majority of original animations in Taiwan are exclusively broadcast on PTV and terrestrial television.

Moreover, OTT platforms were constrained by the formats of productions, which influenced the desire to purchase domestic original animation. However, as the volume of content and duration of works increased, so did the platforms' willingness to acquire them. Statistics show that a number of productions have been put on different OTT platforms at the same time.

2022 Taiwan Cultural Content Industries Survey Report Vol. II

Motion Picture, Television, and Animation Industries

Issuer	Kevin C.H. Peng and Homme Tsai
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Telephone	02-2745-8186
Implemented by	Taiwan Institute of Economic Research
Website	https://www.tier.org.tw/
Address	7F, No. 16-8, Dehui St., Zhongshan Dist., Taipei City 104230, Taiwan (R.O.C.)
Telephone	02-2586-5000
Cover Design	Wen Chun Chuang
Art and Design	RICHGRAPHIC CO., LTD.
Published	June 2023
Version	1st edition

ISBN : 978-986-532-826-9