

# The Present Condition and Prospect of Korean Horse Industry<sup>1</sup>

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## **Abstract**

*The Korean government implemented 'The Horse Industry Promotion Act' in 2011 in hopes of boosting rural economy. Since then a number of horse-riding facilities, parks, training schools and academies have mushroomed throughout the nation. Along with such rapidly changing circumstances, the huge efforts to develop horse industry as a means of cultural resource have been exerted in the recent years. In this regard, this study aims to introduce recent propensity regarding horse industry and find the direction of the future. Also, it will focus how Korea's horse industry has evolved.*

**Keywords:** *horse industry of Korea, Korea Racing Authority, horse-riding, Horse Industry Promotion Act, cultural resource*

## **1. Introduction**

The horse industry is the sole livestock in Korea that has been enforced in legislation. Reflecting this attention on the industry, a number of governmental policies as well as those of the local governments have been pouring in recent years. In this course, the Horse Industry Promotion Act which was enacted in 2011 has broadened its industrial spectrum from existing sectors including horse-riding and horse-racing to therapeutic riding, hoof-shoeing business and horse-training. Nowadays the horse industry evolves to the 6th industry which combines the primary, secondary, and tertiary industry. The background of this sudden boost of the horse industry is attributed to stagnation of rural economy. A series of FTAs and globalization have made farmhouses scarcely sustain their living by farming. In this regard, the government has needed to bring up sufficient and effective measures to aid farmhouses in the rural areas. In this study, we will overview Korea's horse industry by introducing the measures that have been implemented since the Act was enforced. In addition, the horse culture as a cultural resource will be examined to understand traditions.

## **2. Present Condition**

### **2.1. Market Overview**

Since all activities revolving around the use of a horse as entertainment, sport or business play a role in the 'horse industry,' it is not overstated that the horse business covers comprehensive sectors of economy [1]. That is, it has enormous potential for growth. According to the report conducted by USDA Foreign Agricultural Service in 2013, Korea imported horses in 2012 totaled \$18.8 million, which is up 17% increased than that of the previous year. Specifically, the number of imported horses was 666, which are 229 horses fewer. The report analyzed that many Korean buyers have now paid more attention to the quality of horses than the quantity [2].

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The Ministry of Agriculture, Food and Rural Affairs carried out a very comprehensive report in 2014 regarding the horse industry of Korea to utilize the survey in measuring the developmental stages and to establish foundation for researches. The Ministry started to survey on horse industry in 2011. The 2013 survey was conducted from November 2014 to January 2015, published the report in May 2015.

The main facts are as follows: the number of horses raised in Korea in 2014 reaches up to 25,819, which is 5.5%(1,352) more increased than the previous year. The horse businesses increased 9.6%, totaled 1,999. The horse-riding facilities are 395 nationwide, 19.3% increased. The number of riders reaches 40,596(4.3% increased). As many as 16,091 people are engaged in the horse business. The economic scale of horse industry is as much as 209.4 billion won (\$189,040,353), which increased 69.5 billion won compared to that of the previous year. In light of the figures shown on the report, the horse industry has been on the rise year by year. Especially, more and more Korean people have recognized the importance of horse industry according to the increasing trend of horse-riding. In 2014, 28.4% of the Korean nationals recognize the horse industry. Reflecting these figures, as Korea's economy is expanding, the horse industry is in the process that is similar to that of the developed countries. For example, people enjoy sports, depending on income level. That is, if national income exceeds 1 million dollars, people enjoy hiking. If national income exceeds 2 million dollars, people enjoy golf. Moreover, when national income exceeds 3 million dollars, people start concern about horseback riding. For reference, Korea's national income as of 2013 is roughly 135.5 million dollars [3]. The Ministry officials have focused on utilizing the results of the survey to establish proper measures.

## 2.2. Diversity of the Horse Industry

Even though Korea's horse industry is still in infancy, it is almost an only country which enforces the law to promote the horse industry. There are few countries that have discrete laws regarding horse industry [4]. The United Kingdom, one of the leading countries, indicates that the horse industry refers to industrial sector regarding horse-related activities and industrial activities to a certain scale. France designated the horse industry refers to all activities regarding workplaces related to horse and horse-riding as well as activities for its nationals' interests. Another leading figure in the horse industry is Australia; it includes all the economic activities involving horse.

Korea classifies the horse industry into infrastructure industry, consumption industry and related industry on a basis of the circulation cycle of horse's life. The infrastructure industry accounts for horse breeding, fostering and distribution. Horse-training, auctioning, horse-sale is also included. The consumption business refers to horse-racing, manufacturing, horse-riding business, and restaurants specialized in horse-meat.

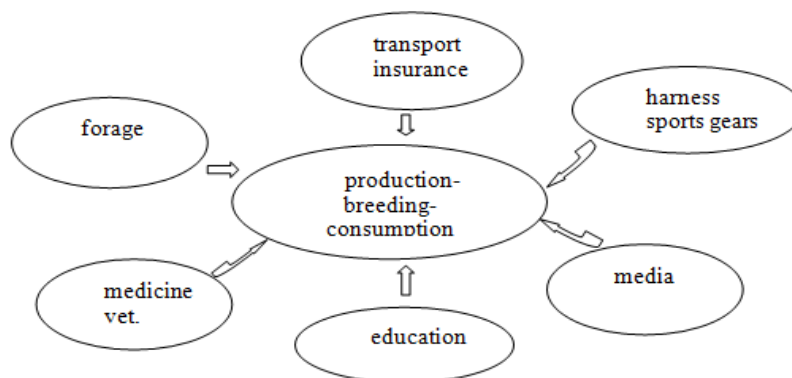


Figure 1. The Range of Horse Industry

The related industry includes businesses to aid the above infrastructure industry and consumption industry, which account horse-food manufacturing, horse-gear manufacturing, hoof-shoeing business, wagon manufacturing, and educational institutes regarding horse.

### 3. The Horse-Racing Industry: Its History and Background

The modern horse-racing in Korea started in 1898 when an international school had held the donkey racing contest and on June, 1909, the racing contest was held for the cavalry although both of them were different from the contemporary horse-racing. The horse-racing that is akin to today's actually began in Seoul in 1922 as Joseon Horse-racing Foundation officially had been established and held the horse-racing every spring and fall. Betting on racing could be possible in 1923. In 1949, Joseon Racing Authority changed its name to Korea Racing Authority. The Korea Racing Authority Act was enforced in 1962, which enabled foundation of horse-racing industry on a legal basis.

Afterward, the horse-racing industry lost out to industrialization of 1960s and 70s driven from the government. In 1980s, it set a stepping stone to grow and turned to develop rapidly [5]. Beyond the remarkable economic impacts embedded in the horse-racing industry, Korea has not been away from the negative perception that horse-racing is gambling industry. Considering other effects of the related industry such as horse-breeding, farm-construction business, horse-racing ticket sale and information provision, it is a comprehensive and reasonable business with perfect harmony. The reason for the negative perception resulted from deformed ticket sales, which has been emphasized as a major business. The government has collected 6% taxation on horse-racing ticket sales. In addition, media has distorted the horse-racing with a biased manner. According to the studying conducted by Kim and Cho (2013), the mass media is prone to reporting horse-riding in favor while reporting horse-racing negatively, which is likely to lead public opinion in a unfavorable way for horse-racing [6]. In this context, the Korea's horse-racing still has a long way to achieve its goal. In the course, there are many agendas to be waiting for reform.

### 4. The Horse Industry and Local Revitalization

The horse industry refers to all the regarding activities relating to production, breeding, training, distribution and utilization of horses according to the Horse Industry Promotion Act. Since the Act has been enacted in 2011, the government has decided to invest 600 billion won (USD 543,133,882.50) by 2016. Especially, as the rural areas experience economic slump, a new source of income is essential to local revitalization. In this context, many local governments have planned or are planning to implement policies related to boosting horse industry. Table 1 shows specific plans as below [7].

**Table 1. Major Equine Policies of Local Governments**

Local Gov't	Contents and region
Gyeonggi Province	*Construction plan of riding facilities in Hwaseong City *Horse-riding trail, automobile campsite, eco-park in Yangju City * Academic Association of Yangju Horse Industry * Breeding Farm in Yongin City * Gyeonggi Riding Festival in Goyang City
Gangwon	* Agenda for designation of the Horse

Province	Industry Special Zone in Cheorwon-gun * Founding a new academic dept. at the college in Hoengseong-gun
Chungcheong Province	* Founding Youth Riders' Club in Chungju City * Founding horse-riding facilities and courses in Goesan-gun * Establishing a therapeutic riding park in Jeungpyeong
Jeolla Province	* Agenda for designation of the Horse Industry Special Zone in Jangsu-gun, Jeongeup City, Gimje City * Horse-riding facilities and clubs in Sunchang-gun * Building a cluster related horse businesses in Jangsu-gun * Campaigning 'National Horse-Love Movement' of Jeonju City * Building a therapeutic riding facility of Gimje City * Founding a major in the horse industry at Daedeok High School in Jangheung-gun * Building a new renewable energy facility in Damyang
Gyeongsang Province	* Operating a horse academy in Gumi city * Establishing the 4th horse-racing park in Yeongcheon city * Establishing an international horse-riding facility in Sangju City * Operating experiential facilities of Daegaya Era in Goryeong-gun * Operating a horse academy and making a trekking course in Cheongsong-gun * Founding a public horse-riding course in Haman-gun
Jeju Special Self-Governing Province	* Maintaining the horse industry special zone(designated in 2014) and establishing 'the 5-year plan for development of horse industry in Jeju.' * Aiding the breeding business * Establishing training facilities * Fostering farmhouses specialized in horse * Founding the mounted troop * Developing storytelling regarding horse * Building a theme park * Fostering Jeju horses

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As seen in Table 1, many measures have been implemented or scheduled to be implemented in many regions throughout the nation. It seems thriving quantitatively as well as qualitatively. However, the 6th industry sector that combines the primary,

secondary and tertiary industry is relatively weak compared to other fields. Many cities and provinces have been running to take a role of capital of horse. For example, Yeongcheon of North Gyeongsang Province built up a horse-riding and training center in 2013. The city was designated as a special zone of horse industry, bringing in 5 billion won (4,295,000 USD) at government expense. In spite of a bad perception regarding horse-racing, Yeongcheon fostered the 4th horse-racing park in the nation and established a new city slogan 'Skyrun Yeongcheon' which implies horse industry as a city brand. The Seoul and its metropolitan area is not an exception. Gyeonggi Province, its Hwaseong City, Yongin City and Icheon City agreed to cooperate with one another to develop horse industry. Gyeonggi Province take a duty of directing and controlling while Yongin City is responsible for elite and general horse-riding, Hwaseong City for leisure and horse tourism and Icheon for production of horses and fostering younger generation. Gyeonggi Province has 25% of all the horse-riding facilities in the nation and its horse-riding population accounts for 50% of all. The number of horses in Gyeonggi takes up 17% compared to that of the nationwide, which suggests that the province is assessed to be the most proper region for horse industry. North Chungcheong Province which is located in the central Korean Peninsula is another dark horse for the industry. It has defined the horse industry as a new source of profit-making sector in the region. The province is planning to build public horse-riding parks both along the river and the urban center. A tour and resort complex related to rural areas called horseland is being planned as well. Small-scale riding competitions for the public are to be held in order to promote public interest, leading the elite sport to athletics in public. To carry out the projects, the province has established a public- government joint committee, a horse trainer's program, veterinarian training program, farrier's program and many other province-run horse-education programs. In addition to the education system, it set up the DB system relating the horse industry. The Jeju Island has a long-standing reputation for horse-breeding in the nation through Korean history. There is an old saying in Korea, "When man is born, send him to Seoul while horse sent to Jeju." The subjects of Jeju's horse industry called "Provision of 5-Year Promotion Plan from 2012 to 2016" has a comprehensive plan that invests more than 2,20 billion won (about 188,566,000USD) in the four sectors including horse-racing, horse-riding, horse meat and other derivative industry. Jeju has especially emphasized on horse-racing and breeding racing horses [8].

## 5. Conclusion

As value of life and spare time are getting more crucial in healthy living, the leisure sports are recognized from individual-oriented activities to family-oriented. According to this trend, the horse industry has emerged to be the up-and-coming industry of the future. In the meantime, globalization and a series of FTAs became threats for rural economy, leading to the total system crisis of Korea. In the midst of this uncertainty, it is not overstated that the horse industry can play a very important role in reviving rural stagnation. The Ministry of Agriculture emphasized the 6th industry regarding horse business is put to the test.

So far the horse industry has quantitatively developed at a remarkably rapid pace in recent years. However, as for legislation, it differentiates, depending on ministry, despite the similar issues. For example, in case of horse-riding facilities are handled at the perspective regarding sports facility under the legislation of Ministry of Culture, Sports and Tourism while the Ministry of Agriculture handles the matter in terms of the horse industry. Furthermore, it is indispensable to actively bring in a bill to resolve negative perception of horse-racing. Besides, there are increasing voices regarding the horse industry's being perceived too commercialized. In Korea, relating R&D institutes are almost none even though the Korea Racing Authority has done some researching in a narrow scope. Thus, to expand the boundary of the horse industry reaches at the end of its

tether. Furthermore, horses are living creatures that have been around human beings for tens of thousands of years. Many mathematical figures have been drawn since the Promotion Act was enacted, however, the animal protection act relating horses has not been brought up to the Table in public. So then, the horse industry has much more remains to be successful.

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