

CHAPTER FOUR: MEDIA 21

INTRODUCTION

This chapter considers the state of the media industry and identifies the challenges and opportunities for this sector to contribute more significantly to Singapore's economy. It spells out the vision and strategies to develop Singapore into a vibrant global media city.

CURRENT STATE OF MEDIA INDUSTRY

Global spending on entertainment and media in 2001 exceeded US\$1 trillion and is expected to grow to US\$1.4 trillion in 2006 at a projected compound annual growth rate (CAGR) of 5.2%¹. Within this sector, media industries (TV - satellite, cable and station - and filmed entertainment) are expected to perform well with a projected CAGR of 6%. Media spending in the Asia Pacific was estimated to be around US\$215 billion in 2000 and it is predicted that the region will experience a healthy growth of 5.3% on a compound annual basis.

The key drivers of growth of the global media industry are:

- an increased demand for knowledge, information and entertainment spurred by the knowledge economy;
- growth of broadband networks and usage which has created large highways on which attractions (or media content) can be developed and marketed; and
- technology advancements, particularly digitisation, which have transformed the whole value chain of the media industry.



Domestically, the value-added of the media sector grew at an annualised rate of about 7.7% from \$1.2 billion in 1990 to \$2.6 billion in 2000. This contributed to 1.6% of the GDP in 2000. Media exports have been weak, but gradually improving: export figures grew from \$631 million in 1990 to \$908 million in 2000 at an annualised rate of 3.7%. The media sector comprised more than 3,500 establishments, employing a total of 37,000 employees.

Singapore's traditional approach towards the media has been focused on content regulation for social relevance and national interest. Previous industry development

¹ Source: *PriceWaterhouseCoopers* "Global Entertainment and Media Outlook: 2002-2006"

efforts have succeeded in attracting foreign media players to Singapore. However, these players have largely used Singapore only as a distribution base: Singapore is the regional distribution base for 16 of world's major satellite TV broadcasters and some 200 publishers.

There has been little investment at the higher end of the media value chain, namely the creation, development and financing of media copyrights. In the case of broadcasting, Singapore's production industry is valued at US\$118 million, or US\$121 million less than Hong Kong, US\$170 million less than Australia, and billions less than Germany, UK and US. Local content forms a mere 33.8% of total programming, compared with 50% for Australia and over 60% for Germany, Hong Kong and the UK².

The local film production industry generated around US\$4.7 million with a combined broadcast/film talent pool of 3,623. Canada, in comparison, produced an estimated US\$2.95 billion and generated 46,000 full-time direct jobs in the film industry. Canadian film exports reached US\$1.3 billion. Australia produced US\$1.16 billion with a manpower pool of 34,200. Hong Kong's film exports amounted to US\$70 million, generated by a manpower pool of over 5,000³.

Despite the relatively small size of the local media industry, we have had our share of success stories. Local artistes in the music industry, such as Kit Chan, Stephanie Sun, and Tanya Chua, have established themselves as credible artistes in the region. Song writers such as twin brothers Paul Lee Wei Song, Peter Lee Si Song and Dick Lee have been composing songs for top Taiwanese and Hong Kong artistes⁴. Many local TV productions have won international awards⁵. With the formation of the Singapore Film Commission, the film industry is witnessing a notable revival following decades in the doldrums. These achievements point to a new confidence that Singapore can build a thriving media ecosystem to capture new opportunities and generate new value.

² Source: Spectrum study 2001, Zenith Media.

³ Source: PriceWaterhouseCoopers, SFC Commissioned study, 2001.

⁴ Paul and Peter Lee are joint directors of the Lee Wei Song School of Music. Between them, they teach, produce, write and sing Mandarin and Cantonese songs. Peter Lee won the Best Composer Award in Taiwan's Golden Melody Awards, while his student, Stephanie Sun, won the Best Newcomer Award (2001).

⁵ Many of the SBA-funded PSB programmes have attained international and regional recognition, which testifies to the high standards set by our local TV production industry. These include awards from the acclaimed New York Festivals (*Third Age, Go Green, Big Q, Virginity – Price or Prize, Downs Syndrome - I am Stephen* and *Millennium Challenge: Vietnam*), US International Film & Video Festival (*Kau Istimewa (Extraordinary People)* and *Klinik Kita (Our Clinic)*) and Asian TV Awards (*Gateway Asia – The New Asians (The Filipinos), Kids United, AlterAsians* and *48 on Aids*).

SWOT ANALYSIS

Strengths

- We have an educated and skilled workforce, complemented by a friendly business environment, good infocomm infrastructure and global infocomm connectivity.
- We are already recognised as a good regional base for the distribution of satellite TV, recorded music and publishing. Major global media players and satellite broadcasters have established regional bases in Singapore. We have two local players, namely, Singapore Press Holdings, which has an annual turnover of over S\$1 billion in FY 2001, and the MediaCorp Group, with an annual turnover of S\$423 million. Both these companies perform the full value chain of activities from film and TV production, to publications and online content.

Weaknesses

- We have a limited domestic market size. Our advertising market is only US\$412 million, compared with China's US\$5 billion and Hong Kong's US\$1.8 billion (**Table 1**). The implication is that growth will have to be derived from hitherto untapped areas, or from exports.

Table 1: Asia Pacific Advertising Per Capita Jan-Jun 2001⁶

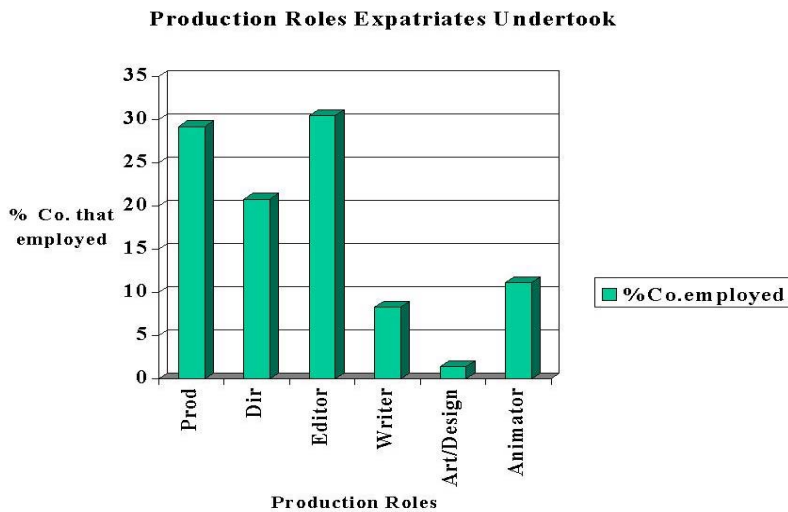
Countries (in order of size of ad pie)	Advertising (US\$m)	Population(m)	Advertising per Capita (US\$)
China	5,354	1,267	4.23
South Korea	2,126	46.9	45.33
Hong Kong	1,810	6.8	266.18
Australia	1,497	19	78.79
Philippines	633	75.8	8.35
Thailand	573	61.1	9.38
Singapore	412	3.9	105.64
Malaysia	386	22.7	17.00
Indonesia	334	22.7	1.60
New Zealand	339	3.8	89.2

- We face a shortage of local creative manpower, such as above-the-line (director, producer, scriptwriter, director of photography, key cast) talent. **Chart 1** below shows the key roles expatriates were employed in⁷.

⁶ Source: AC Nielsen Adex, Asia Pacific Market & Media Fact 2001

⁷ Survey of manpower needs of the TV and film industry, NTU (2001).

Chart 1: Key Media Roles that Expatriates were Employed In



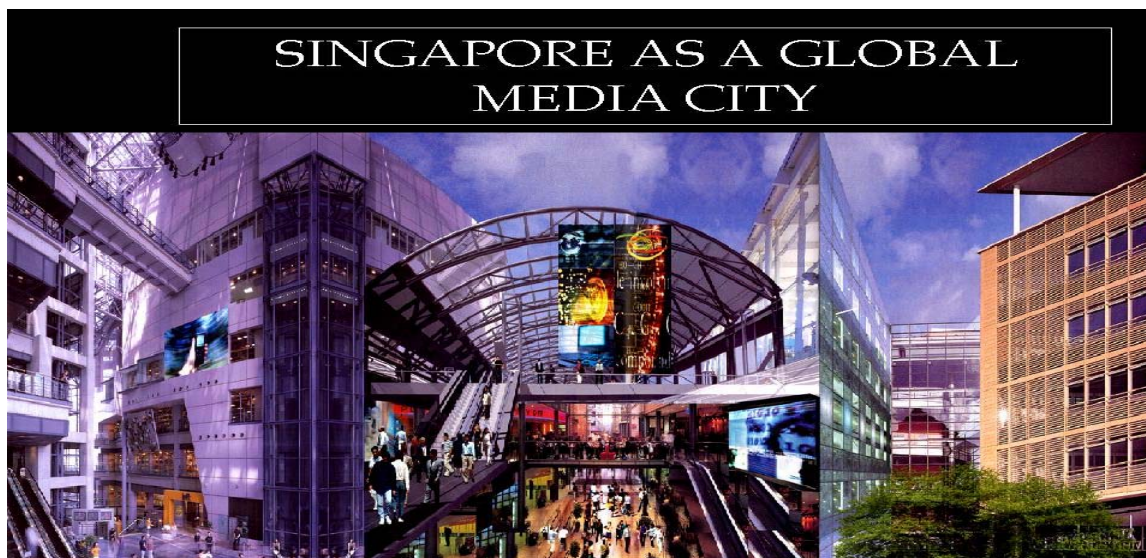
Opportunities

- The global conversion to digital production and distribution presents an opportunity for Singapore to carve a niche, as we have a ready pool of computer science graduates. The challenge is to attract and train them to serve the needs of global media players.
- Our multicultural and multilingual talent base is a largely untapped advantage in the media sector. Foreign companies are keen to exploit the anticipated growth in China's demand for media and entertainment. Singapore has the potential to establish itself as a gateway for media content.
- While it remains difficult for media companies to secure financing from banks and private investors due to the current inability to assess the chance of success of a media project, the strong financial sector could potentially provide the financial backing for local media companies to experiment and venture into bigger projects.

Threats

- Regional governments also have plans to develop media hubs, which threaten to draw resources (talent, investments, etc) away from Singapore. For example, Australia is pursuing an aggressive plan to develop screen content and to attract foreign investment in film production. Hong Kong, Taiwan, South Korea and increasingly, China are attracting media businesses. The growth of rival media hubs and the ease with which media businesses can relocate their operations indicate an urgent need to widen the breadth and scope of our media ecosystem.

VISION OF SINGAPORE AS A GLOBAL MEDIA CITY



Media 21 envisions Singapore as a global media city, a thriving media ecosystem with roots in Singapore, and with strong extensions internationally. Economic value is derived from being a trading centre for copyrighted media material and from specialising in high-end media development. Media 21 also envisages made-by-Singapore media products that travel successfully overseas. Local media companies benefit from the overall levelling up of industry standards and are able to compete more effectively against foreign content to retain Singaporeans' hearts and minds.

Media 21 embodies a paradigm shift from the perception of the media as a mere means of mass communication to an inter-dependent ecosystem of the full range of media industries, from traditional print and broadcasting to the wider creative industries, such as film and publishing, to new areas of convergence such as digital and online media. Within each industry is a whole cluster of activities ranging from content production and distribution (including pre-production, production, post-production, packaging, marketing and distribution), enabled by IT and technology and fuelled by business opportunities and entrepreneurship.

Specifically, Media 21 envisions the following 10-year targets:

- a) Increased economic significance of the media sector from 1.6% to 3.5%⁸ of the GDP;
- b) Increasing the total export value fivefold from S\$908 million⁹ to S\$4.5 billion;

⁸ This requires that the media sector's contribution to GDP increases to 7.5%, assuming a GDP growth of 4%.

⁹ This assumes an annual growth rate of 6%. Between 1990-95, exports grew by 12.9% without significant government support.

- c) Growth of at least 3 local media companies with offshore revenues exceeding S\$250 million¹⁰.

STRATEGIES AND RECOMMENDATIONS

The key approach is to capitalise on Singapore's existing strengths in order to level up and leapfrog our competitors. Media 21 proposes 5 strategic thrusts:

1. Develop a State-of-the-Art Media City
2. Position Singapore as a Media Exchange
3. Export Made-by-Singapore Content
4. Augment the Media Talent Pool
5. Foster a Conducive Regulatory Environment and Culture



¹⁰ Some potential Media Singapore Inc companies initially identified include: Singapore Press Holdings (including SPH Media Works), Times Publishing, Media Corporation Ltd (including Raintree Pictures and MediaCorp TV), Cathay Holdings Pte Ltd, ST Telemedia and Singapore CableVision.

Strategy 1: Develop a State-of-the-Art MEDIA CITY

Several “media cities”, or specific geographic zones earmarked for media companies, have sprouted over the past year. These include Seoul’s Digital Media City, Dublin’s The Digital Hub and Dubai’s Media City. These “media cities” have allowed the governments to focus marketing and development efforts and to create a “cluster” effect by co-location of companies across the media value chain. The common characteristic among these projects is the commitment of government resources (including funds) to develop and market these specific areas and to incentivise companies and selected institutions to locate there.

Global Media Cities

- Dubai Media City (DMC) is spread over 200 hectares of land. It is established by the Dubai Technology, E-Commerce and Media Free Zone Authority. DMC is the personal project of the Crown Prince to develop Dubai into a global media hub by providing infrastructure and synergistic environment for media companies, from Dubai city and international communities, to operate. DMC also aims to offer world-class living options to professionals working in the media environment. DMC is creating an innovative concept providing a complete ‘live-work-and-play’ environment.
- Seoul City’s Digital Media City (SDMC) was conceived as a specialised innovative complex with the specific vision to evolve into a world-class production centre for digital media contents and to be a world-class centre of academic-industrial cooperation in digital media technology. With a size of 560,000 square metres, SDMC is a one-stop service to Korean and foreign businesses and investors. It will lead Seoul’s economy and will serve as the gateway linking Seoul to East Asia and the rest of the world, in 2010 when the project is completed.



Recommendation 1.1: Develop Mediapolis @ one-north

We recommend the creation of a media city to capture public and industry imagination, to re-brand our media industry and to underscore government commitment to develop this sector. We have identified JTC Corporation’s one-north as the ideal location as it embodies a visionary plan for a state-of-the-art work, live, play and learn environment for media and infocomm companies, and the artistic community.

“An organisation like Mediapolis is very important as it can provide us the whole environment to integrate training, marketing and managing.”

*Lee Yong-teh
Chairman, Trigem Computers*

Mediapolis@one-north will be differentiated from other media cities by its emphasis on digital media creation and experimentation, futuristic design, its state-of-the-art facilities and infocomm and financing infrastructure, its competitive pricing and the co-location of ICT companies, creative media industries and a vibrant R&D community.

In particular, we have identified the need for a digital media lab (Recommendation 1.2), a digital production studio (Recommendation 1.3) and a TV broadcasting station as ideal key tenants at the Mediapolis. The soon-to-be formed Media Development Authority (MDA) will also be located at one-north to provide one-stop

industry concierge and facilitation service to media companies both at one-north, as well as in other parts of Singapore.

We recommend the endorsement of Mediapolis@one-north as the icon of Singapore as a visionary Global Media City. Government agencies (such as EDB, JTC, MDA and Infocomm Development Authority (IDA)) will adopt a collaborative strategy to attract a cluster of creative and hi-end media companies, and promote digital research and development.

Recommendation 1.2: Enhance Applied Research in Digital Media

The major trend in the media and entertainment industry is the shift to digital technology across the value chain, from production and user interface to distribution and storage. For broadcasting and new media, digital technology enables interactivity e.g. interactive TV, multi-user gaming, T-commerce, as well as new consumer experiences and devices. In film and TV production, digital technology has changed the way films are created. There are now films with fully computer generated images without physical sets or human actors (e.g. *Toy Story*, *Walking with Dinosaurs*, *video games*), and productions with strong digital effects (*Lord of the Rings*, *Harry Potter movies*, *Star Wars Trilogy*, *Buffy the Vampire Slayer*). Digital productions typically garner over 50% of a total film/TV budget for the former category, and between 20% to 30% for the latter category.

“Every medium, from print to film, is screaming out for unique digital content that can be called fine literature. I believe that the emergent order will be the inevitable result of efforts by artists rather than technocrats.”

Roy Stringer

One implication of the shift to digital technology is the increasing demand for innovative applications, services and devices. Singapore can capture this growing demand by anchoring a strong applied R&D laboratory such as MIT’s Media Lab in Singapore. This will create significant value for Singapore in terms of a dynamic flow of talent and ideas, opportunities for our research talent and indirect benefits of attracting foreigners (top media research talent, business partners) to Singapore and an enhancement of Singapore’s branding as a Global Media City.

Moderate government investment and strong government backing will be necessary to establish a successful R&D centre like the Media Lab at MIT¹¹. One way in which Singapore can add value to media R&D might be to capitalise on our expertise in Asian languages and translation capabilities as well as our knowledge of Asian culture with a view to developing applications tailored to the Asian market.

Recommendation 1.3: Specialise in Digital Post-Production

Currently, Singapore does not have the facilities or capability to support the digital production/post-production requirements of an international big-budget film. We

¹¹ We understand that the total cost to establish a digital media lab is about US\$35 million with a recurring operational cost of approximately US\$45million and that MIT Media Lab is interested in locating a “satellite” lab in Asia, in addition to the original one in the MIT campus, a branch in India and a new site in Dublin.

should address this critical area in view of the anticipated demand once Singapore becomes an Media Exchange.

Specifically, we recommend the following:

- a. Establish a multi-disciplinary digital post-production studio capable of supporting computer animation and a virtual film studio. Currently, Singapore lacks a state-of-the-art digital post-production facility to support an effects-heavy film like *Lord of the Rings*; filmmakers have to go to Thailand or Australia for post-production. There is an urgent need for a studio with state-of-the-art equipment to support the targeted volume and quality of production;
- b. Attract high end post-production companies to Singapore by extending Pioneer Status to this group of companies; and
- c. Augment talent and skills in digital post-production.

Recommendation 1.4: Expedite National Deployment of Digital Media Services

To support the digital media investment thrust and the positioning of Mediapolis as a test-bed for new media services and devices, we recommend accelerating the nation-wide digital TV (DTV) rollout and the deployment of digital TV services, content and applications. We will also need to incentivise R&D in enabling software and technologies through seed funds and facilitate industry wide training of DTV manpower through schools, seminars and conferences. We can also establish Asian chapters of international standards bodies, like DVB and W3C, in Singapore.

Strategy 2: Position Singapore as a MEDIA EXCHANGE

Historically, Singapore has played a role as a trading port for rubber, even though it was not a major source of rubber. Similarly, strategy 2 essentially combines media financing and copyright registration to enhance Singapore's attractiveness as a media exchange. This will enable Singapore to establish a strategic foothold in the creation and acquisition of media copyrights (films, TV and publishing), which is the new currency of the Knowledge Economy. This will generate direct benefits for the media industry as it taps on international ideas for new media products (films, new TV formats etc) and brings new opportunities for the financial and legal communities, as well as spillover benefits for the production and post-production sectors.

There is a current gap in the availability of funds to finance core copyrighted material in media, namely films, TV projects¹², and to a lesser extent written material. Film and TV budgets are increasing, from a few hundred thousand dollars in the past to over \$50 million for a blockbuster film, and over S\$50,000 for a TV production. Producers have been attracted to cities that offer lower cost financing options.

¹² This is derived from strong feedback from international players.

Countries like Australia¹³, Canada, the United Kingdom and even Malaysia and Thailand have been successful in luring Hollywood producers to fund and produce large scale film and TV projects through attractive tax regimes (see Annex 4.1 for a list of tax incentives and schemes of selected countries).

In the fifties and sixties, Singapore was a regional hub for the film industry; this position died out due to a variety of reasons¹⁴. Currently, despite Singapore's reputation as a regional financial centre, it remains difficult to secure financing for media ventures from private companies and financial institutions. Traditional financial institutions such as banks and venture capitalists hesitate to invest in media projects as they generally have no experience in assessing the risk of investments in such projects. This is compounded by the fact that the smaller media companies have problems securing bank loans due to the inability to provide company-owned assets as collateral.

We can capitalise on our position as a base for the world's major media companies and our financial position to carve a niche for Singapore as a financing and trading centre. To do this, we will need to make available in Singapore an attractive range of financing options, from equity funds, to investment and loan funds. The window to do this is small, as other burgeoning film/media hubs have already put in place and are constantly reviewing their tax incentives to attract investments in TV and films, thereby lowering Singapore's competitive advantage.

Recommendation 2.1: Introduce Tax Incentives to Attract Media Investments

There is currently no specific tax incentive to attract investments in media copyright production, which leads to minimal private sector investment in films and TV. To make Singapore an attractive media financing sector, it is recommended that the government introduces tax incentives to encourage private investment in the production of copyrighted material.

Specifically, tax breaks are recommended for investment in MDA-certified copyrighted material. The incentive will be tied to pre-qualifying conditions like specifying employment of a specified proportion of domestic labour or that a portion of the production must be done within Singapore, with specific definition of what constitutes production. Depending on the incentive package, the economic spin-offs include:

- a. generating business and employment in other sectors (e.g. in catering, transport, carpentry for set construction, hotels, set/costume-designing, grips and gaffers);
- b. development of the legal (intellectual property rights, contracts, etc), financial (loans, investments, venture capital) and insurance (completion bonds, etc) markets; and

¹³ According to a recent survey of LA-based film producers by the Australian Film Commission, 50% of rated tax incentives as a key consideration to move runaway productions to Australia. The other key consideration was the favourable exchange rate. Foreign productions now comprised over one third of the overall \$331m (A\$600m) expenditure in Australia, a rise of 139% over the last 5 years.

¹⁴ This is no official record of the reasons why the film industry dissipated post independence. One key reason could be the gradual decline of indigenous SEA films.

- c. revenue and employment for direct film/TV industry (producers, directors, actors, scriptwriters).

These incentives will help enhance Singapore's reputation as a centre for media financing and increase demand for post-production. This complements the strategy to specialise in digital media.

Recommendation 2.2: Establish a Loan Fund for Copyrighted Media Material

The Singapore government can also play the role of initiating and forming a Loan Fund, in partnership with private sector companies. Existing financing institutions are unable to fill this gap, as they lack the expertise to assess the risk of films and TV programmes. There is less politics and national pride surrounding financing, so there will be minimal political hurdles for Singapore to play this role. The loan fund will give Singapore an edge over our competitors who do not have such a scheme in place.

The objective is to attract copyright projects from the Asia-Pacific region to Singapore for financing. Funds will be loaned at a competitive rate, plus a share of profits. In the case of default, the borrower will transfer the copyright of the project to the loan agency. Overall risks to Singapore are low for the following reasons:

- a. the default risks will be amortised over many projects;
- b. an initial credit worthiness assessment would have been done; and
- c. As long as the project is completed, there will be always be some returns/value (for example, it can be sold to content hungry satellite/cable companies hungry for content).

Industry representatives have given feedback that the loan fund must have at least US\$200million to make an impact. The government does not need to provide full funding, as private companies have expressed interest in such a venture. The assessment is that government would need to set aside at least 25% of the initial fund, which can eventually be self-financing.

Recommendation 2.3: Attract Media Finance Companies and VCs

We recommend attracting specialised media finance companies and venture capitalists to base their operations in Singapore. This is linked to the overall strategy to attract media companies to Singapore for financing, as finance companies and venture capitalists will only consider Singapore if there is a vibrant media industry to support their business.

Recommendation 2.4: Create and Manage a Registry of Media Copyrights

Currently, unlike US where Intellectual Property Rights (IPR) laws are well established, it is extremely difficult for companies to determine who owns the copyright to each aspect of the media product, in which country/city or which window

the copyright is owned. There is no central agency that maintains such information. Industry representatives have given feedback that Singapore's reputation as a corruption-free state, with a transparent judicial system, stands us in good stead to establish Singapore as a trustworthy and reliable base to set up a copyright register. The objective is to encourage companies to obtain IPR registration in Singapore, and tap on Singapore's judicial system to seek redress for infringement. MDA will further study the feasibility of this recommendation together with the Intellectual Property Office of Singapore (IPOS) and industry bodies.

Recommendation 2.5: Grow Media Markets @ Singapore

Currently, the various broadcast, film and publishing events are peppered haphazardly throughout the year. Very little trade in films and TV are done in Singapore. In Asia, Hong Kong is attempting to grow its Hong Kong Film Mart. We recommend creating focal events, or, more specifically, media festivals incorporating media markets in partnership with established international markets. The aim is to attract trade professionals, buyers and sellers to Singapore over 7–12 day periods. We aim to make Singapore's media festivals the must-attend events for those who matter in the media industry. We also recommend establishing Media Awards of a level of prestige as to be meaningful and significant. Awards serve to recognise talent, spur competition, and enhance the glamour of the industry. Once established, the awards will also enhance the value and marketability of the award-winning content/talent.

Strategy 3: Export Made-By-Singapore CONTENT

The development and sale of copyrighted material (films, TV programmes, books, multimedia content) is the *raison d'être* of the media industry and serves as the underlying engine to drive the media industry. Singapore's content development efforts have largely focused on the domestic market, to serve the needs of the domestic audience. This focus has resulted in content that tends to be colloquial and not tailored to the export market.

"Why build pipes if you don't have anything decent to put down them?"

Peter Bazalgette

Focusing on the domestic market has had two implications. First, the potential market size, and consequently the operational budgets is limited. For example, a one-hour local drama would average S\$60,000 whereas a comparable UK drama would enjoy a production budget of around S\$1.2 million¹⁵. Second, the economics of the global media market is such that international players are able to amortise their costs across large markets. For example, a local TV production may cost up to S\$60,000 to produce, whereas an equivalent foreign production would cost only \$3,000 to acquire.

¹⁵ This includes cost of living and exchange rate differences.

The way to overcome the limitations of the small domestic market is to create content specifically for export. Given our small talent pool, we will need to adopt a collaborative approach that embraces foreign partners and talent. Content need not be made entirely in Singapore, or entirely by Singapore-owned companies or talent. This practice is not new. The Singapore Broadcasting Authority (SBA) has initiated co-production agreements with Canada and Japan with the aim of tapping on the funds, talent and distribution networks of these overseas counterparts.

Recommendation 3.1: Establish a Content Development Fund

Countries such as Australia and Canada have complementing tax incentives with funding schemes (**Annex 4.2** gives a description of the various schemes in place in selected countries). We recommend the establishment of a content development fund, initially for films and TV. The objective of the fund is two-fold:

- a. To boost the range and quality of local films and TV for export. Collaboration with foreign partners and use of foreign talent will be needed to bridge the talent shortage. Hence, projects need not be fully Singapore-owned or produced entirely in Singapore. Local companies can tap on the content development fund and work with foreign partners to produce TV or films; and
- b. To increase the range of financing options for media companies as part of the strategy to position Singapore as a Media Exchange.

Currently, the total budget for TV and film productions is S\$2million per year¹⁶. To build up a credible local TV and film industry, we will need to build up a minimum pool of S\$50million per year¹⁷. As the aim is to develop content that can be sold in the wider international market; funding proposals should be required to incorporate marketing and distribution, in addition to content creation and production.

Recommendation 3.2: Develop Niche Genre

We should capitalise on our competitive strength to develop genres with a higher chance of international success. We have initially identified 3 potential genres: education, business, documentaries and digital animation. There is growing demand for educational content, particularly demand for language education (esp English to the Chinese market), pre-school and academic content. However, we have not been able to tap on the rich pool of educators, as there is no incentive for them to be involved in media development.

Two other genres which Singapore can specialise in are business content and documentaries. The market for business information was US\$69 billion in 2001, and is projected to grow at a compound annual rate of 5%. The economy is expected to play a key role in this development, with dampened demand in the near term but

¹⁶ This comprises SBA's S\$1 million co-production budget and SFC has a total budget of S\$5 million over 5 years. The amount excludes Public Service Broadcast funding of S\$100 million for national and non-commercially viable programmes.

¹⁷ Source: PWC Consultancy Study for the Singapore Film Commission.

propelled spending upon recovery and as China's market opens. We can tap on the pool of knowledge and talent (business and financial analysts) in Singapore to develop this genre. CNBC and Bloomberg currently draw on a healthy pool of local talent to staff their business news programmes¹⁸. We also have a pool of producers with experience in producing documentaries, which can be nurtured to develop content for export¹⁹.

Digital animation, with a total value of US\$25.4 billion in 1999, is another niche genre for which Singapore can carve out a niche, given our strong IT skills base. A subset of this is video gaming, which had a global market size of US\$3 billion in 2001.

We recommend that the Ministry of Education (MOE) considers incentives including allowing teachers to receive royalty payments for copyrighted work, and consultancy payments for advisory roles in media projects. We also recommend developing these genres through allocation of the content development fund (Recommendation 3.1), training and development schemes as well as collaboration with strategic overseas partners to boost the quality and exportability of these genres.

Recommendation 3.3: Increase Bilateral Co-Production Agreements

The government can help open doors for local companies to partner foreign players by signing agreements with targeted overseas governments. This will pave the way for local companies to enter into joint ventures and co-productions with foreign players. This will also give them access to foreign production expertise, funds, and more importantly, foreign distribution networks and markets.

Recommendation 3.4: Increase Exports Promotion

MDA could work in partnership with IE Singapore and SPRING Singapore to strengthen export promotion of media products and services. For a start, this can include leading missions overseas to give local players more exposure and to facilitate trade. MDA can also facilitate the setting up of promotional booths at key international media events such as MIPTV and MIPCOM (France)²⁰ for broadcasting as is done presently by SBA or help good films gain entry to key film markets and film festivals.

¹⁸ Bloomberg employs 137 staff, of which 112 are local. CNBC employs 173 staff of which 136 are local.

¹⁹ The market size for documentaries is not available, but has not been identified as a key growth market.

²⁰ MIPTV and MIPCOM are premiere global TV markets and Sundance is the premiere film festival for independent films.

Strategy 4: Augment the MEDIA TALENT POOL

Recommendation 4.1: Establish a Media Academy

The key training needs in traditional electronic media are scripting, directing, camera work, sound, lighting and video editing. We recommend the establishment of a Media Academy in collaboration with international media schools to train professionals in broadcast and film. This is a gap not currently filled by existing educational institutions. The academy will be a breeding ground for both local and foreign broadcasters and production companies to spot and attract creative talents. The availability of good talent will initiate a cycle of attracting employers (foreign broadcast companies basing their production operations in Singapore), raising the profile, and thereby attracting more talent. The Academy could work closely with industry to identify the skill requirements and collaborate with the Digital Media Institute for digital media skills development.

Recommendation 4.2: Enhance Specialist Skills

We should develop core competencies to support content development. In particular, we should focus resources on enhancing creative writing skills, the art of drawing and illustrating and across all media. SBA has started a National Scriptwriting Masterclasses and competitions for broadcasting scripts. This should be expanded to writing for various categories of media, including publishing, film and new media. Competitions will be an avenue for budding scriptwriters to gain national and international recognition. The entry scripts can also serve to inspire more and better ideas for new scripts. Separately, MDA will need to work with industry, seminar organisers and the Media Academy to organise specialist training in other skills including media financing and intellectual property rights.

"There is no art without business. And to that end, it is imperative that the artistic youth...can find a venue and find a commercial outlet through media and film and TV production."

Richard Taylor

Recommendation 4.3: Create Opportunities for Exposure to World's Best

Owing to our small domestic market and our relatively short history, local media industry players lack exposure and experience to be able to build a credible portfolio. To help overcome this shortcoming, we will need to engage academic institutions (like the NTU School of Communications and the polytechnics) and the industry to develop apprentice and other schemes for young talent to work with both local and foreign professionals in and out of Singapore. These will allow the local practitioners to learn from the world's best, and to help them master their craft.

Recommendation 4.4: Embed Media Training into School Curricula

At a fundamental level, MDA should work with MOE to enhance creative writing and drawing skills at pre-school, primary and secondary levels. This can be incorporated into language and literature curricula, to build up creative writing and story telling and story boarding skills. At secondary and tertiary levels, videography and graphics skills training can be developed to enhance project work.

Recommendation 4.5: Enhance Knowledge of Intellectual Property Rights (IPR) and Digital Rights Management Tools

The key to maximising the return on investment in original creation is the ability to export content and to deliver content on multiple platforms. The acquisition and protection of intellectual property is therefore vital to retaining the value. Many in the media industry are not well-advised in this area. MDA should conduct training and consultancy to help enhance industry knowledge of the complexities of IPR laws and protection as well as the latest developments in digital rights management tools.

Strategy 5: Foster a CONDUCTIVE REGULATORY ENVIRONMENT and Culture

Recommendation 5.1: Ensure Policies and Procedures Meet International Best Practices

A conducive regulatory environment is critical for businesses to flourish. In order to be recognised as a global media city and attract global players, MDA will need to ensure that its regulatory policies and business practices meet international best practices and can stand up to international scrutiny. For example, in developing a framework to foster healthy competition, MDA must draw on international experiences and formulate a framework that is consistent with global practices, whilst adapting the local context where applicable.

Recommendation 5.2: Ensure Regulatory Consistency and Clarity

MDA must aim to streamline various regulations and standards for film, TV, radio, publications and new media so that the rules across the spectrum are clear and consistent. It would need to constantly review regulations and engage in industry and public consultations to ensure that regulations are relevant. MDA would need to ensure that regulatory policies and content

"You have a brand problem around society and control....US is getting more conservative on these issues while Singapore is getting more liberal... There is an opportunity to reverse the brand of Singapore. This could have secondary economic impact... America is looking at Singapore society closely to see how balance can be struck between being open and closed."

Paul Saffo

standards do not stymie creativity, whilst maintaining social harmony in Singapore.

Recommendation 5.3: Facilitate a Production-Friendly Environment

To make Singapore an attractive place for content development, MDA would need to work with various agencies to streamline rules and regulations to facilitate location shoots. One possibility is to create confined production-friendly locales such as Sentosa or the offshore islands where constraints on production shoots and stuntwork can be minimised.

"Production crews can't film a crime scene on the streets without needing to seek numerous permits and approvals from various authorities, only to be told after several weeks that they are not allowed to do it. To make Singapore an attractive place for media companies, MDA will have to create a 'production-friendly' environment in Singapore."

Extract from Media Roundtable Report

Recommendation 5.4: Encourage Industry Responsibility and Responsiveness

To complement the push to streamline regulations and create a conducive business environment, MDA should encourage the formation of industry associations where there is sufficient critical mass. Such associations will enable industry practitioners to undertake more responsibility for industry skills upgrading and adopting good conduct practices. Such associations can also serve as a channel for constructive feedback to government for public policy formulation. To facilitate the formation of such associations, MDA could consider providing seed investment to ramp up initial operations.

Recommendation 5.5: Increase Public Education and Empowerment

In the multi-channel, globally networked media environment, regulations alone are insufficient and increasingly ineffective to safeguard the young against offensive and undesirable content. MDA must double its efforts to educate the public on tools and tips to safeguard against undesirable content. It must also explore new ways to empower the public e.g. through the introduction of content classification systems and content management tools.

Parents Advisory Group for the Internet:
PAGI partners the Internet industry and government agencies to promote safe surfing and educate parents about online safety.



Internet Content Rating Association

ICRA is a rating system designed to protect children from potentially harmful content. It is backed by the biggest names online.

Content Management Tools

Various tools have been developed to help empower audiences. For example, TV ratings help parents identify inappropriate programmes according to a child's age or unsuitability due to sex, violence or adult language. The V-Chip can help parents "screen out" the programs with TV ratings they don't want their children to watch. The V-Chip is already built into new TV sets -- parents who want to use it just have to turn it on when they set up their new TV.