

MEDIA RELEASE
BY ECONOMIC REVIEW COMMITTEE
SUBCOMMITTEE ON SERVICE INDUSTRIES

Creative Industries Development Strategy to propel the growth of Singapore's Creative Economy and create new job possibilities for Singaporeans

Vision is for Singapore to double the GDP contribution of the creative cluster and to establish for Singapore a reputation as a vibrant and exciting New Asia Creative Hub

1. The Creative Industries Working Group of the Economic Review Committee (ERC)'s Service Industries Sub-Committee has recommended a bold strategy to unleash Singapore's creativity capacity for national competitiveness.

2. Entitled "Creative Industries Development Strategy", the Working Group's report recommends ways in which we can develop a new growth sector – the creative industries – while at the same time help to transform the Singapore economy to make ourselves ready for the new challenges of the Creative Economy. Recognising that the Creative Economy requires creativity at all levels – artistic and cultural creativity, economic creativity (or entrepreneurship) and technological innovation, the Working Group's fundamental approach is to fuse arts, business and technology to become our winning formula.

Creative Industries as a Propeller of National Competitiveness

"To support our entrepreneurs, we need to develop an overall environment that encourages people to discover, create and experiment. Studies in the US have shown that entrepreneurship is closely correlated with the level of cultural vibrancy...the arts can help individuals to become more creative, in areas beyond the arts. They are an important source of inspiration and a powerful avenue for individual expression. Furthermore, a culturally vibrant city attracts global creative talent."

- Prime Minister Goh Chok Tong in his 2002 National Day Rally Speech on 18 August 2002

3. The creative industries are increasingly being recognised worldwide as a significant growth engine for the economy. They can be defined as "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of

intellectual property”.¹ The creative industries comprise three broad groups²: (i) arts and culture; (ii) design; and (iii) media.

4. Highlighting the importance of the creative industries, Senior Minister of State for Transport and Information, Communications and the Arts, Mr Khaw Boon Wan, who is also Chairman of the ERC Sub-Committee on the Service Industries, said “This is a new sector for us. Elsewhere, it has shown significant growth potential. In the UK and US, the creative industries account for 5 – 8% of Gross Domestic Product (GDP) and are growing at a faster pace than the overall economy, with growth rates at 3 – 5 times that of the overall economy in recent years. But more importantly, the creative cluster is also an economy-wide enabler – much like infocomm technology – that can help to differentiate our products and services. We do not know if we can be successful in this. The challenge is to inspire our people to be more creative.”

5. Dr Tan Chin Nam, Permanent Secretary of the Ministry of Information, Communication and the Arts (MITA) and Chairman of the Creative Industries Working Group added, “In today’s increasingly globalised and competitive world, it is no longer viable for us to compete based on price and technology alone. The creative industries will enable us to leapfrog our competitors by offering innovative lifestyle, entertainment and consumer goods experiences that leverage on the convergence of arts, business and technology.”

6. “The creative cluster also generates tremendous economic spinoffs. In 1998, the multipliers for arts and cultural activities was 1.66 and for design industries, 1.76. This was significantly higher than 1.4 for banking and 1.35 for the petrochemical sector. Furthermore, a vibrant creative cluster is essential to attract and retain global talent. Many cities and countries, including competitors nearer home such as Korea, Hong Kong and Shanghai, have recognised the wide-ranging benefits of the creative cluster and are competing aggressively to develop their creative industries.”

¹ UK Creative Industries Taskforce, *Creative Industries Mapping Document*, November 1998.

² The 3 groups of creative industries are:

▪ **Arts and Culture**

Performing arts, visual arts, literary arts, photography, crafts, libraries, museums, galleries, archives, auctions, impresarios, heritage sites, performing arts sites, festivals and arts supporting enterprises

▪ **Design**

Advertising, architecture, web and software, graphics, industrial product, fashion, communications, interior and environmental

▪ **Media**

Broadcast (including radio, television and cable), digital media (including software and computer services), film and video, recorded music and publishing

Singapore's Competitive Strengths

7. Singapore will need different skills-sets to succeed in this new area. We have to build upon our strong science and engineering foundation to acquire new competencies. We do, however, possess strengths which stand us in good stead.

8. Mr Khaw Boon Wan said, "We need to figure out our competitive strengths, so as to distinguish ourselves. For example, years of bilingualism should give Singaporeans a competitive strength. Our ability to handle multiple languages will allow us to tap on large Asian markets such as China, India, Malaysia and Indonesia as well as English-speaking markets. Similarly our multi-cultural heritage will allow us to create and exploit opportunities at the intersection of the East and the West that will make us unique. These factors, together with our well-regarded Singapore brand name, excellent infrastructure, strong IT foundation, business hub standing and cosmopolitan society should position us well to exploit the opportunities in the creative industries."

Vision 2012

9. The Working Group's vision is to develop the creative industries into a significant growth engine, which has a pervasive differentiating influence throughout all spheres of our economy and society. The Department of Statistics has estimated the value of Singapore's creative industries to be around 3% of GDP in 2000. With a holistic and concerted approach to develop the creative industries in Singapore, the cluster has the potential to contribute 6% of GDP by 2012, which would be comparable to creative hubs such as the US and UK today. The creative industries could potentially employ 5 – 7% of our national workforce.

10. Dr Tan Chin Nam said, "We envisage Singapore as a vibrant and exciting New Asia Creative Hub – a balanced society which offers our people abundant opportunities to fulfil their diverse aspirations, enhanced lifestyle and entertainment options and an attractive "work, live, play, and learn" ecosystem for local and global creative talent."

11. "Our developmental strategy aims to propel Singapore closer to the league of creative cities such as San Francisco, London and New York, which are abuzz with ideas, experimentation and entrepreneurial energy. Above and beyond that, we want to create a new dimension to our society where talents across all disciplines can find the space, empowerment and encouragement to nurture their own special talent, and to contribute towards Singapore's vibrancy and competitiveness. This is about providing opportunities for all by charting new and different routes to success."

Key Initiatives

12. To achieve our vision of a Creative Economy propelled by the creative industries, the Working Group has put forth three interlocking initiatives: (i) Renaissance City 2.0 targeting the arts and cultural sector; (ii) Design Singapore targeting the design industry; and (iii) Media 21 targeting the media industry. These initiatives were conceived in close consultation with hundreds of local and international industry players, artists, academics, consultants, government agencies and community groups. International benchmarking and case studies were also developed based on extensive literature research and study missions to the US, Canada, Europe, Middle East and Asia.

Industry-Specific Recommendations

Renaissance City 2.0

13. The Renaissance City 2.0 initiative aims to build on the foundation of the original Renaissance City Blueprint to develop Singapore into a highly innovative and multi-talented global city for arts and culture. It will focus on maximising the potential of existing and new arts infrastructure by developing software. At the same time, it proposes that MITA agencies and Singapore Tourism Board work together to unlock the economic potential of the arts and cultural activities. Some of its key recommendations are as follows:

(i) Government as Catalyst

It is proposed that the Government play a catalytic role to develop the creative industries by stimulating sophisticated demand. For example, it could support the “Percent-for-the-Arts” scheme to promote public art as well as support the use of effective design in its public amenities, services and spaces.

(ii) Work with CDCs to Develop “Creative Towns”³

It is recommended that a ‘Creative Town’ initiative be piloted with a selected township. The Town will serve as a developmental model for a vibrant, creative, culturally rich, entrepreneurial and technologically savvy community. This prototype can be fine-tuned and, eventually, adopted by the rest of the Community Development Councils (CDCs) to evolve a Creative and Connected Singapore. The Creative Town concept should focus on unleashing the latent creativity and passion of individuals by integrating arts, culture, design, business and technology into community planning and revitalisation efforts. Features of a Creative Town could

³ The Mayors’ Committee Meeting endorsed the Creative Town proposal on 19 August 2002. A multi-agency taskforce involving private, public and people sectors is being set up to prototype the Creative Town concept at a selected township.

include the “Percent-for-the-Arts” Scheme, fusion spaces, entrepreneurship training programmes, creative thinking courses, cultural events and festivals, etc.

(iii) Develop a New Museum of Modern and Contemporary Art

In the longer term, it is recommended that Singapore develop a Museum of Modern and Contemporary Art (MoMCA) that focuses on showcasing international modern and contemporary modern artworks and design. This would strengthen Singapore’s standing as a global city for arts and culture. MoMCA has the potential to replicate the success of Tate Modern in generating economic spinoffs and tourism dollars.

(iv) Promote Arts and Cultural Entrepreneurship

It is recommended that the National Arts Council (NAC), National Heritage Board (NHB) and National Library Board (NLB) help to identify opportunities to realise the economic value of our arts and cultural resources. For instance, arts and cultural entrepreneurship could be promoted in the areas of information services, arts, heritage and library consultancy services, cultural tourism, arts and design industries, merchandising, etc.

Design Singapore

14. Design has emerged as a key driver of enterprise and national competitiveness. A keen advocate of design, Mr Ho Kwon Ping, Chairman and Chief Executive Officer of Wah Chang Group said, “In Banyan Tree in particular, we consider design – not only architectural but in every aspect of the guest experience – to be a very important factor in our competitive edge and it provides much of the value added in the business proposition.”

15. To enable Singapore to create new value through design and to position Singapore as a leading centre for contemporary design, a multi-agency taskforce comprising Economic Development Board (EDB), International Enterprise Singapore (IE Spore), MITA, NAC, NHB and Standards, Productivity and Innovation Board (SPRING Singapore) has been set up. The taskforce will spearhead the promotion and development of design excellence in Singapore. It will complete its study in October 2002 in close consultation with international experts and industry players. Some preliminary proposals to further promote and develop design in Singapore include:

(i) Integrate Design in Enterprise

To help businesses integrate design as a strategic business tool to drive innovation and growth, it is recommended that programmes for shared resources and facilities be developed, such as business case studies, global benchmarking, and prototyping facilities. Existing assistance schemes for companies would also be reviewed to include the use of design by businesses, particularly SMEs. It is further

recommended that the public sector lead by example in the integration of effective design in its public buildings, amenities and services.

(ii) Establish a National Design Agency

There is a need for a national organisation to champion the design cluster and synergise the activities and concerns of the various players. It is recommended that a National Agency for design be set up with representation at the highest level for industry, education institutions and the public sector. This agency will be positioned to (a) promote and facilitate the strategic use of design by businesses for the global market; (b) raise awareness of the public and businesses on design; (c) recognise and showcase design excellence in Singapore and overseas; and (d) establish a global network.

(iii) Nurture a Vibrant Design Community.

To raise the profile of the design profession, attract young talents to the industry and build up Singapore's design capabilities and standards, it would be critical to raise the professional standing and recognition of designers, as well as standards of design in Singapore. Specific proposals include:

- develop quality and performance standards and codes of practice in collaboration with industry associations
- develop a continuing professional development programme for designers
- develop a national award for design excellence
- anchor a major international design award in Singapore

Media 21

16. Media 21 envisions Singapore as a global media city, a thriving media ecosystem with roots in Singapore, and with strong extensions internationally. Its 2012 target is to increase the GDP contribution of the media industry from 1.6% in 2000 to 3.5%; increase total export value from S\$908 million in 2000 to S\$4.5 billion; and grow at least 3 local media companies with offshore revenues exceeding S\$250 million.

17. Highlighting the importance of Media 21, Mr Neville Meijers, Executive Vice President and Managing Director of Discovery Networks Asia said, "Discovery Networks Asia has been committed to the Singapore market since 1995. We have grown from a staff of 20 to over 120 building on the extraordinary talent base that exists in Singapore. Our latest growth phase has underscored our commitment to the local production community. We believe that the existing talent base in Singapore will grow even further through initiatives such as Media 21. Media 21 is a boost for all those involved in the media sector and is a clear indication of the Singapore government's commitment to focus on developing the creative sector."

18. The soon-to-be-formed Media Development Authority (MDA) will work closely with other agencies such as EDB, Infocomm Development Authority (IDA), IE Singapore and JTC Corporation, etc, to spearhead the development of the media industry. Strategies to develop the media industry include:

(i) Develop Mediapolis @ one-north

To strengthen and heighten the visibility of Singapore's efforts in developing our media industry, it is recommended that Mediapolis be developed at one-north. This Mediapolis will cluster high value-adding media production and R&D activities in a conducive "work, live, play and learn" environment that supports experimentation and multidisciplinary cross-pollination.

(ii) Position Singapore as a Media Exchange

The development of Singapore into a financing and trading exchange hub for media will enable us to gain a strategic foothold into the creation, acquisition and exploitation of media copyrights. There would also be economic spinoffs benefiting our local media industry (production and post-production) and other sectors of the economy such as hospitality, finance and law. Specific proposals include:

- Introduce tax incentives for investments in core media copyrights;
- Co-establish a Media Loan Fund with private companies;
- Attract venture capitalists and media finance companies;
- Establish a registry of media copyrights; and
- Grow media markets@Singapore

(iii) Export Made-by-Singapore content

Singapore's content development efforts have traditionally been constrained by a small domestic market. It is recommended that additional emphasis be placed on developing content for export through collaborations with foreign talent and partners. This can leverage on a Content Development Fund and be supported by initiatives to increase bilateral co-production agreements and enhance export promotion. Niche areas must be identified to capitalise on Singapore's strengths in multi-lingual content, education, business, finance and IT.

Broad-Based Recommendations

19. The creative individual forms the lifeblood of the creative cluster. To develop the creative workers and the savvy audiences and consumers of the future, the Working Group strongly supports the recommendations by the ERC Enhancing Human Capital Working Group on Arts, Culture, Sports and Recreation to nurture creative capabilities at all levels of the education and training process. Some specific recommendations by the Creative Industries Working Group are highlighted below:

(i) *Embed Arts, Design and Media within All Levels of Education*

To enhance the creative capacity of our people, arts, design and media can be embedded as creative learning tools for all levels of education. For example, drama and literature could be employed to help students enhance their language abilities while multi-media tools can help students approach science and maths projects in an innovative manner. To this end, Singapore would also need many more passionate teachers who are skilful in weaving arts, design and media into the education curriculum to help their students learn and think more broadly and creatively.

(ii) *Establish a Flagship Art, Design and Media University Programme*⁴

To build up Singapore's stock of creative experts, it is recommended that a flagship art, design and media university programme be developed at the proposed NUS-X campus, in collaboration with leading institutions overseas. This new School of Art, Design and Media could differentiate itself by offering a broad-based and research-oriented curriculum.

(iii) *Establish a MediaLab in Singapore*

To nurture multidisciplinary researchers of the highest calibre, it is recommended that Singapore establish a Media Lab with partners such as MIT MediaLab to conduct research on innovative applications, services and devices. Singapore will benefit immensely from the knowledge transfer and collaborative exchanges with global researchers.

**From the Creative Industries Working Group
Subcommittee on Service Industries
Economic Review Committee
25 September 2002**

For media enquiries, please contact:

Ms Daphne Khong
Assistant Corporate Communications Manager
Ministry of Trade and Industry
DID: 6332-7109
Email: daphne_khong@mti.gov.sg

Ms Alamelu Subramaniam
Corporate Communications Manager
Ministry of Trade and Industry
DID: 6332-7210
Email: alamelu_subramaniam@mti.gov.sg

⁴ This proposal could complement the 1998 Report of the Committee to Upgrade LASALLE-SIA and NAFA, which recommended that the two schools be allowed to award NUS degrees in the visual arts at the end of 5 years if they meet the necessary standards as agreed by the Arts Education Council.