

News Release

For Immediate Release

International experts commend the progress of Singapore's media sector and suggest new growth areas

Singapore, 2 June 2010 – International experts who formed the Media Development Authority of Singapore's (MDA) International Advisory Panel (IAP) gave the thumbs-up to the progress made in establishing Singapore as a credible media player on the world stage. Moving forward, the IAP urged Singapore to play to existing core strengths and advantages to further ramp up its role as a Global-Asia media hub and services center, while continuing to create globally-recognisable media intellectual properties that the nation can take pride in.

The IAP met on 31 May and 1 June with key industry players and senior management from MDA and other economic agencies, marking the third IAP meeting since MDA's formation in 2003.

Dr Tan Chin Nam, Chairman of MDA, and Chairman of the IAP, said: "We are now operating in the Globalisation 3.0 era where the world is flat as described by Tom Friedman and spirit of collaboration key. Since its beginnings, Singapore's media sector has embraced transnational collaborations as a means to multiply its resources. Incorporating the views of international experts from diverse media industries through the MDA IAP mechanism is also in line with this direction. We are encouraged by the panel's endorsement of our growth direction. Their recommendations on new growth areas will help us strengthen the positioning of Singapore as a trusted global capital of New Asia Media as laid out in the Singapore Media Fusion Plan (SMFP) that was launched in June 2009."

Growth trend of Singapore's media sector

Singapore's promotion of the media sector spanned nearly two decades. In the 1990s, service-for-hire business models dominated the media sector. With the launch of the Media 21 blueprint in 2003, content development efforts received a major boost, which hastened the move of Singapore's media companies up the value chain to become owners and creators of original intellectual properties that are distributed globally. Beyond content, Singapore is leveraging its strength in digital media to begin supplying applications and technologies to the world. To further scale up the media sector, the SMFP launched last year will see a concerted push to promote R&D innovation, raise financing capability, nurture talents and enhance infrastructure to fortify the base that supports further growth.

Based on the latest available data from the Department of Statistics, over an eight-year period, the total operating receipts of Singapore's media sector¹ nearly doubled, going from S\$12.7 billion in 2000 to S\$22.4 billion in 2008 at a compounded annual growth rate (CAGR) of 7.4%. Total employment rose by over 30% to top 63,247 in 2008, up from 48,038 in 2000.

The fast-growing IDM sub-sector, which was non-existent four years ago, has grown at an estimated 25% CAGR since 2005, adding some S\$1.3 billion in revenue and 3,500 new jobs in the process².

Playing to Singapore's strengths

IAP members remarked that Singapore has been successful in attracting international media players to base here, with 22 major broadcasters in Singapore. As Asia rises in importance in the global media and entertainment market, it will be rewarding for Singapore to reinforce its positioning as the regional springboard for Western media businesses venturing into Asia, as well as a global launchpad for Asian enterprises expanding beyond their home markets. In particular, Singapore can establish itself as a valuable partner for emerging Chinese and Indian media enterprises expanding into Southeast Asia.

¹ The media sector comprises broadcasting, film and video, music, publishing, online and mobile content, games and other software. Source of data: Department of Statistics, April 2010.

² Deloitte Consulting "Interactive and Digital Media Sector: The Market Opportunity for Singapore", June 2008.

The IAP suggested that Singapore should extend the country's core strength in services to the media industry by raising its importance as a media services center. This will mean building and aggregating companies that provide ancillary services in the media sector that covers legal, financial, sales, licensing, distribution and digitisation.

With the explosion of media platforms and devices, repurposing media content beyond its primary use will be a viable niche for Singapore. The IAP pointed out Singapore's robust intellectual property regime as a key differentiator that will support this role. One Singapore company that has risen to the challenge is Alternative Content Distribution Network (ACDN), which offers an end-to-end solution for the digital conversion, secure storage and distribution of content.

The IAP also encouraged Singapore's media companies to draw on its forte in education, especially in the areas of Continuing Education and Training (CET) and lifelong learning. To this end, MDA has in 2009 embarked on the Media-in-Learning initiative, which aims to create pedagogical media content, such as serious games, for learning and teaching purposes. Early this year, MDA also announced the Cross-Sector initiative, which seeks to deploy digital media technologies in different economic sectors such as healthcare and tourism.

Placing digital media at the central of vision

The IAP noted that Singapore has been the harbinger of cutting edge digital media services, being one of the first in the region to invest in high-definition television and stereoscopic 3D movie production. Singapore brings with it a good track record in innovating new services and applications in the digital media space.

IAP members affirmed Singapore's culture of innovation that is gaining momentum since the country begun investing in interactive digital media research and development four years ago. To date, some 330 R&D projects have been funded, registering a launch of some 160 new products and services and 28 patents filed. The top five funded projects now serve more than 55 million users in 210 countries, with the user base growing at an average rate of two to three million users per quarter. Efforts to seed grassroots innovation have nurtured some 170 start-ups, supporting some 583 entrepreneurs.

To widen the ranks of entrepreneurs, IAP members urged Singapore to create a culture that encourages innovation, which includes a forgiving environment for failed entrepreneurs. The IAP also emphasised the importance for fledging Singapore media companies to scale up as they take on the global market. They also suggested that Singapore nurtures market leaders in certain niche areas that will act as successful models for the rest of the industry.

Please refer to:

Annex A for the listing of the IAP

Annex B for quotes from IAP 2010 members

Annex C for achievements of Singapore's media sector

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Media Development Authority of Singapore (MDA)

Formed in 2003, the Media Development Authority of Singapore (MDA) plays a vital role in transforming Singapore into a Global Media City and positioning it at the forefront of the digital media age. MDA spearheads initiatives that promote developments in film, video, television, radio, publishing, music, games, animation, media services and Interactive Digital Media. At the same time, in ensuring clear and consistent regulatory policies and guidelines, MDA helps to foster a pro-business environment for industry players and increase media choices for consumers. For more information, visit www.mda.gov.sg and www.smf.sg.

ANNEX A

MDA International Advisory Panel 2010

Dr TAN Chin Nam (IAP Chairman)

Chairman,
MDA

Dr CHEN Hong

Founder, Chairman and CEO,
The Hina Group

Mr CHI Youngsuk

Vice-Chairman and CEO of Science & Technology,
Elsevier

Mr Greg COOTE

Chairman & CEO,
Dune Entertainment

Mr Vivek COUTO

Executive Director,
Media Partners Asia

Mr Andrew CRAISSATI

Chairman and Chief Executive,
Transpac Media Limited

Lord David PUTTNAM

Deputy Chairman,
Channel 4

ANNEX B

Quotes from IAP 2010 Members

“Singapore has played a critical role in clustering the talents, innovation and multiple cultures in the region. I am extremely pleased that MDA is taking an active role in promoting and fostering entrepreneurship and creativity in the media industry.

In addition to fostering the overall media development in Singapore, it would also be beneficial to focus on a few key areas, where market leaders can be created. To make Singapore a media hub, China and India strategies should also be identified.”

- Dr CHEN Hong, Founder, Chairman and CEO, The Hina Group

“I commend the impressive progress that MDA has facilitated over the last five years that I’ve been associated with MDA. The healthy scepticism of past IAP meetings has given way to a strong belief in Singapore’s journey to become a credible player on global stage in the world of exciting media sector developments.

There are more than economic reasons for investing in the content creation aspect of this sector because an advanced nation needs a soul that is expressed in creative displays such as films, music and literature.

On the mission to generate higher VA from the media sector, I’d encourage an additional layer to pay attention to leveraging existing core competencies of this nation, which includes the business of media.”

- Mr CHI Youngsuk, Vice-Chairman and CEO of Science & Technology, Elsevier

“The MDA has reached maturity. It has successfully, under MDA Chairman Dr Tan and Chief Executive Officer Dr Chia, developed the knowledge and skill base to go to the next growth stage.

Across the spectrum, MDA needs to continue and indeed increase their support. With infrastructure such as Mediapolis and events like ScreenSingapore, the platform for acceleration of growth in filmed entertainment is timely. I congratulate MDA’s executives and staff.”

- Mr Greg COOTE, Chairman & CEO, Dune Entertainment

“There is a big opportunity to strengthen the direction that Singapore is heading, which is to further anchor Singapore as a Global-Asia hub – for global and regional players to capitalise on opportunities offered by the rising growth of Asia’s key media economies – in Asian media, communications and technology enterprises, especially those in China and India, looking to expand beyond their home markets and invest in businesses in Southeast Asian geographies such as Indonesia, Malaysia, Vietnam, the Philippines and Thailand.

The second opportunity is to further capitalise on the solutions, software and hardware that are required for the next generation of digital distribution in television, broadband and home entertainment, some of which is already occurring in Singapore.”

- Mr Vivek COUTO, Executive Director, Media Partners Asia

“Singapore’s media industry landscape has grown dramatically since the inception of the MDA. There is no doubt that the MDA’s catalyst role has been significant. The city-state now faces the next phase of stimulus. With the continued high quality commitment of the agency, Singapore will continue its emergence on the regional stage and with a push towards global resonance.”

- Mr Andrew CRAISSATI, Chairman and Chief Executive, Transpac Media Limited

“Another very constructive meeting seeking to crystallise both the perception and the reality of ‘Singapore’ as a global media brand. In this ‘talent driven’ sector, the MDA carries enormous responsibility for delivering the way in which the world views Singapore, and Singapore comes to view itself.”

- Lord David PUTTNAM, Deputy Chairman, Channel 4

ANNEX C

State of Singapore's media sector

Singapore-made content and applications are serving a global audience

Singapore's efforts to grow a vibrant media industry have made significant strides over the last few years. The content development industry, in particular, has shown marked progress, with over 60 short and feature films and some 2,000 hours of public service TV content produced last year alone. In the fast-growing Interactive Digital Media (IDM) space, a sector that was non-existent four years ago, some 600 companies are operating and serving millions of users worldwide, according to a 2008 study by Deloitte.

Today, Singapore-made content, applications and services are serving a global market, with our TV content exported to over 70 countries. Last year, *Dinosaur Train*, an animation series for children co-produced by Singapore's Sparky Entertainment and United States' The Jim Henson Company, was the highest-rated children's programme on the PBS's TV Network in the United States in December 2009.

Drama serial *Little Nyonya* by MediaCorp, a Public Service Broadcast (PSB) programme, was Singapore's highest-rated drama in 15 years. It won the "Best Drama Series" at the Asian Television Awards 2009 and has been sold to Cambodia, China, Malaysia and Hong Kong. Indeed, all the awards won by MediaCorp at the Asia Television Awards 2009 were PSB programmes, underscoring the ability of Singapore producers to produce quality, compelling and relevant content. On the film side, output is growing steadily, matched by growing commercial success. Singapore films are gaining international acclaim, with at least one title featured in the Cannes Film Festival for the last six consecutive years since 2005.

Singapore-built digital media applications and technologies are also reaching a global audience, fuelled by the five-year National Research Foundation-funded programme to promote R&D in the IDM sector.

Since the establishment of the multi-agency IDM Program Office (IDMPO) hosted within MDA in 2006, Singapore digital media companies, many of them start-ups, have tapped into new business opportunities. These range from popular mobile applications like *BuUuk*, which allows iPhone users to find any restaurant quickly and easily and Red Herring Global Top 100 company *Mozat*, which offers novel mobile social networking applications, to innovations like *Garena*, a gaming platform company, which is now the most-visited Singapore website, with 32 million users worldwide.

To date, the IDMPO has funded 330 R&D projects, registering a launch of some 160 new products and services and 28 patents filed. The top five projects funded by IDMPO now serve more than 55 million users in 210 countries, and the user base is growing at an average rate of two to three million users per quarter. Efforts to seed an innovation culture at the ground have nurtured some 170 start-ups, supporting some 583 entrepreneurs and helping to feed into the growing base of IDM talents to support the growth of the industry.

The IDM R&D ecosystem now comprises a network of 13 international research centers (IRC) and laboratories, supporting over 1,000 Researchers, Scientists and Engineers. The first IRC, GAMBIT, a collaboration between MDA and the

Massachusetts Technology Institute, was recently named among the top eight game design schools in North America by The Princeton Review. GAMBIT-developed *Carneyvale: Showtime* was the first Singapore game to clinch a distribution contract with Microsoft. Another IRC, the CUTE Centre, won the top prize for its social networking robot *Petimo* at InventiON, an international innovation competition in Italy.

Factors enabling growth

The S\$230 million Singapore Media Fusion Plan, launched in 2009, sets out three key strategies for growth: 1) making Singapore the Best City for Business; 2) staying on the Leading Edge of Digital Media; and, 3) remaining Connected to the World.

MDA has put in place over 20 funding schemes across the various media clusters under its development purview to support Singapore companies in the financing, making and trading of media content, applications and services. These are targeted at different aspects of the business value-chain; from upstream support for R&D particularly in the IDM sector, to content creation, to facilitating access to markets.

Government funding is geared towards exportability, and helping drive this outcome has been a strategy that actively encourages partnerships or co-productions. To-date, MDA has supported some 180 film and TV co-productions involving Singapore companies with their partners from more than 15 countries including the United States, United Kingdom, Australia and China.

Of these, 23 projects have been facilitated by the network of treaties and cooperation agreements between MDA and its governmental counterparts overseas, a key benefit of which is to open up market access for home-grown content. For instance, benefiting from the Canada-Singapore Audio Visual Co-production Agreement are animated TV series *Rob the Robot* by One Animation and Amberwood Entertainment (Canada), *Jack* by Sparky Entertainment and PVP Animation Inc (Canada) and *Zigby* by Big Animation and Zebra (I) Productions (Canada).

Many of Singapore companies have worked with leading international media brands such as Discovery, National Geographic, BBC, Shanghai Media Group and Fremantle Media, enabling home-grown content to travel worldwide and raising the capabilities of local enterprises as a result. Several companies including the likes of Sparky Entertainment, Scrawl Studios and Peach Blossom, have evolved from being “fee-for-service” companies to Intellectual Property creators in their own right.

Increasingly, MDA is moving from ad-hoc, individual retail project funding applications and assessments to an industry-friendly process of batched calls for proposals across all clusters. This promotes greater transparency, healthy competition and a more level field for assessment. Alongside this is the successful co-opting upfront of industry players who provide avenues for international distribution. For example, international distributors Fortissimo Films and Distribution Workshop participate in evaluation panels on film projects and commit distribution before projects are green-lit, boosting chances of commercialisation and thereby increasing exportability of our content.

In line with its objective to instil a global mindset in local companies, every year, MDA leads some 80 companies to trade shows in Singapore and overseas like Broadcast Asia, Cannes Film Market, MIPTV and American Film Market, amongst others, to promote and sell Singapore content and services. Such internationalisation efforts was given a boost in 2006 with the introduction of the Singapore Media Fusion (SMF)

brand, which acts as a united front to showcase the media sector's collective richness and diversity. The SMF brand has helped to raise the visibility of Singapore at the crowded international marketplace.

Beyond content creation, Singapore is also emerging as a choice partner for media financing and distribution activities, with more than S\$1.5 billion worth of private funds anchored here. Firms involved in executive production, such as RGM Holdings and Hyde Park Entertainment Group, have set up media funds to finance slates of TV and film projects, some of them shot on location in Singapore and featuring Singapore talents both in front of and behind the camera. This has boosted efforts to build up our creative content industries while developing local creative and technical talent.

Talents are also being nurtured and matched to projects, fuelled by the presence of leading media schools including the Tisch School for the Arts, Digipen, Chapman University and complemented by MDA's ongoing programmes that have trained 30,000 professionals over the years. To nurture a critical pool of local media talents, MDA gives out, on an average, 20 Media Education Scheme scholarships per annum to support individuals pursuing a broad range of media-related courses from producing, directing, writing, animation, games to special effects, audio and set production, in both local and overseas institutions.

Another important initiative that will significantly add scale to the media industry is the development of Mediapolis@one-north, a 19-hectare state-of-the-art digital media hub for the creation, production and global distribution of media content and applications. Home-grown digital media and visual effects firm Infinite Frameworks will be building the first sound stage complex, with groundbreaking expected by early 2011.

Over the past year, discussions have been ongoing with international media companies regarding investments in production studios, broadcasting centres, animation studios, R&D incubators and other facilities in Mediapolis. Concurrently, a Technology Blueprint is being drawn up to ensure that Mediapolis has the most comprehensive digital technology infrastructure to enhance the hub's global connectivity.

MDA also has initiatives to spur innovation and growth in downstream industries. The Media-in-Learning initiative embeds digital media within other economic sectors to encourage innovation, enhance their business and spur productivity. Several educational institutions are working with MDA to facilitate a more extensive use of games and new media to boost learning and teaching.

Two years ago, MDA identified the nascent stereoscopic digital 3D technology as an area of growth and supported the 3DX: 3D Film & Entertainment Technology Festival. It drew a stellar cast of 22 international speakers and celebrities – Jeffrey Katzenberg (CEO, DreamWorks Animation), Jim Gianopulous (Fox Co-Chairman), Dan Glickman (Motion Picture Association of America Chairman), *Avatar* producer Jon Landau, amongst others – and crystallised Singapore as a global platform for bringing together and advancing the industry's stereoscopic 3D drive.

3DX provided an impetus to galvanise the media industry, aided by the establishment of a S\$10 million Stereoscopic 3D Development Fund to seed the production of stereoscopic 3D feature films and to boost local 3D capabilities. Today, Singapore is one of the first territories in the world with one-stop, end-to-end production and post-

production capabilities in theatrical stereoscopic 3D. Local companies BlackMagic Design and Widescreen Media have upgraded their equipment and facilities and are contributing to Singapore's first stereoscopic 3D action thriller, *Bait*, an official co-production with Australia. *BAIT*, which has been pre-sold to over 24 territories, will be shot in Australia with the production support of Widescreen Media while Blackmagic Design will manage the post-production and visual effects.

After 3DX, come June 2011, MDA will be hosting the inaugural SreenSingapore, an international cinema event showcasing the best of Asian and World cinema. The event will comprise a film and entertainment technology market, in addition to screenings and premieres of upcoming releases and conferences and workshops.