The Development Potential of the Content Industry in East Asia and the ASEAN Region (Phase 2)

Edited By

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The findings, interpretations, and conclusions expressed herein do not necessarily reflect the views and policies of the Economic Research Institute for ASEAN and East Asia, its Governing Board, Academic Advisory Council, or the institutions and governments they represent.

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ERIA Research Project Report 2013, No. 8

National Library of Indonesia Cataloguing in Publication Data

ISBN: 978-602-8660-87-7

Published December 2015

Foreword

Economic growth in ASEAN countries is thought to be moving from the first to the second stage, where the growth of various industries, including that of the content industry, is needed to increase exports and expand domestic demand. The content industry is expected to play a big role in the further economic growth of the Asian region.

The Asian region has a large and growing media and content market, whose aggregate market size is the second largest following North America. The growth rate (CAGR) of the industry in Asia-Pacific between 2013 and 2018 will be 5.7 percent, higher than that of North America and Western Europe. PricewaterhouseCoopers Global Entertainment and Media Outlook 2014–2018 forecasts the ASEAN region's CAGR in 2013–2018 to be 7.9 percent. Considering fundamentals such as large population, high GDP growth, and the realisation of the ASEAN Economic Community, the Asian content industry is anticipated to further develop and is expected to contribute to sustainable economic growth through its economic effects, such as job creation, and ripple effects to other industries as well as its market size and high growth rate.

In order to promote and develop the content industry, we have to consider three factors.

The first is a change of the industrial environment. The technological environment of the content industry in Asian countries faces rapid and radical change, such as dissemination through the Internet, spread of smartphones and tablets, technical evolution (e.g. virtual reality, 360 degree camera, UHDTV, smart TV, and others). Changes in business and market structures, such as penetration of online content distribution and increase of international co-production, are also taking place.

The second is differences and diversity among countries. Each country has a different culture, regulations, and market conditions that affect content industry. Asian countries can use each other's strengths to make up for weaknesses to promote content industry in each country, thus bringing further economic growth in the region.

The third is 'scale' of the Asian region, content market, or industry. International competitiveness of the Asian content industry will be enhanced through mutual cooperation among countries. It is vital to make full use of content companies, professionals, markets, resources, and cultural assets in each country to raise the presence of the industry, considering the differences of each country.

Based on the above, the Economic Research Institute for ASEAN and East Asia (ERIA) organised a working group consisting of experts from eight countries in the region to research on the status of the Asian content industry, analyse the problems, and propose policy recommendations. During the first year, the working group collected basic data on the content industry in each country and, using a common data framework, analysed industrial features and structures. In the second year, the working group evaluated the necessity and effectiveness of promotion policies for the industry using questionnaire survey in eight countries. It proposed policy recommendations based on the results of two years' research.

Finally, this report could not have been completed without the valuable support from the members of the working group and all parties from eight countries who cooperated on the research project. ERIA extends its highest appreciation to everyone involved in this study. We also sincerely hope that this report can be a valuable contribution to the growth of the content industry and the economies of East Asia and ASEAN.

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President

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Jakarta, November 2015

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CHAPTER 1

Background of the Study

1. Objectives

The content industry is continuously growing globally, including among members of the Association of Southeast Asian Nations (ASEAN). In 2013, the first phase of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report) verified the size of the content industry and its growth in each country based on market and industry data. Analysed statistics elaborated the structure of the industry and estimated its contribution to each country's economy and market forecast. The FY2012 Report categorised case studies and the ripple effects of content imports and exports, and the policy measures implemented in each member country, and then conducted strength/weakness–opportunity/threat (SWOT) and value-chain analyses. The results, which indicated the potential of the region's content industry and the common recognition of characteristics and issues, were utilised to build the basis of the policy recommendations.

This report on the second-phase study focuses on stakeholders' evaluation of policies promoting the content industry, particularly the effectiveness and necessity of certain policy areas or policy activities. It aims to assess the policies of all the member countries and to identify policy areas where they can work together to enhance the content industry.

First, this study analyses market trends and updates the data on the content market in each member country.

Second, this study categorises 15 policy activities, taking into account the main evaluation items for further analysis: the results from the first-phase research, precedent studies, and interviews with content industry stakeholders. Each member country conducted a questionnaire-based survey to evaluate content industry policies respondents, including content business companies (‘companies’), industrial organisations, academic experts, policymakers, and governments. This report shows the survey results by country (Chapters 5 to 12) and by region (Chapter 13).

Finally, the most recent survey results were used to identify high-priority policy activities and to update the FY2012 Report’s policy recommendations. They should guide government and industry in all member countries for them to better understand the region’s situation and issues, further promote the content industry through collaboration, enhance value-chain development, and strengthen regional competitiveness. The recommendation shares the goal of ASEAN’s plan for regional economic integration by 2015 (ASEAN Economic Community) and will contribute to formulating the post-2015 content industry plan.

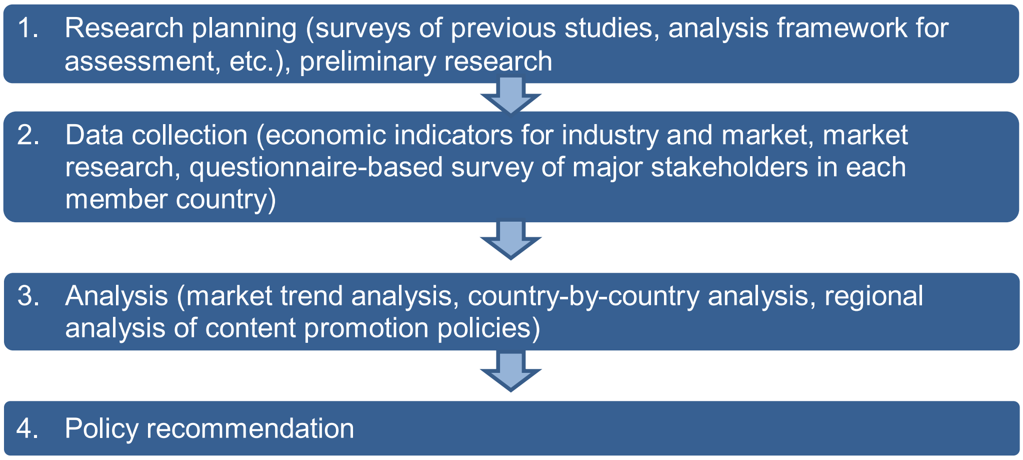
The framework for analysis and research items was planned, then policy areas and activities were categorised through preliminary research and discussions among member countries. For market trend analysis, basic data of each country’s content industry were gathered through an external database and reorganised for comparison to review the industry’s overall growth potential.

2. Framework and Methodology

2.1. Study flow

This report took the following steps:

Figure 1-1: Study Flow



Source: Authors.

For policy evaluation, a questionnaire-based survey was designed and conducted by each member country. The survey results were analysed by country and by region, which led to the recommendation of policies that should be implemented or improved to better develop the region's content industry.

2.2. Target countries and industries

This report covers the study results of China, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, and Thailand.

Figure 1-2 defines the content industry as used in this study. It focuses on audiovisual (TV broadcasting, film, animation) and related industries (games, music). Globally, these five industries are seeing steady market growth (Chapter 2). In general and in terms of statistics and related industry data, these commonly recognised categories lower the barrier of cross-country comparison and analysis.

Figure 1-2: Scope of the Industry

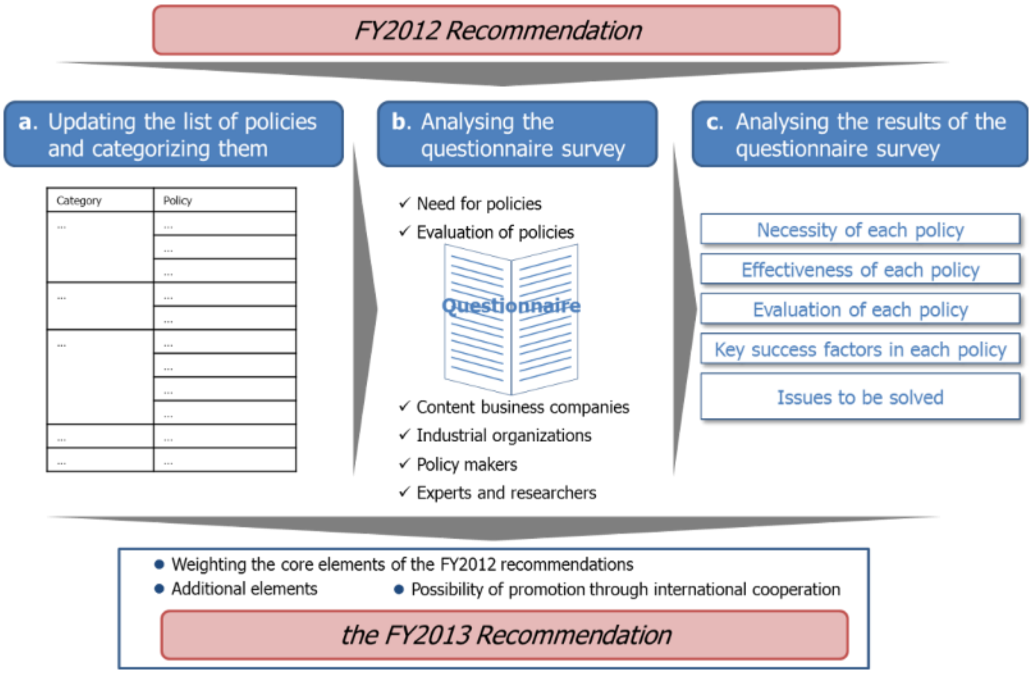
Source: Authors.

This study does not discuss particular policies corresponding to particular subsectors, but takes account of common issues and general policies covering different subsectors or markets.

2.3. Research Framework

Figure 1-3 describes the research flow of policy evaluation: (a) updating and categorising the list of policies (Chapter 3), which, with the policy evaluation methodology (Section 2.4), is taken into account in designing a questionnaire-based survey; (b) analysing the questionnaire survey results (Section 2.5) by country and by region; and (c) focusing on each policy's necessity, effectiveness, evaluation by stakeholders, and key success factors, and on issues to be solved.

Figure 1-3: Research Flow for Policy Evaluation



Source: Authors.

2.4. Methodology for policy evaluation

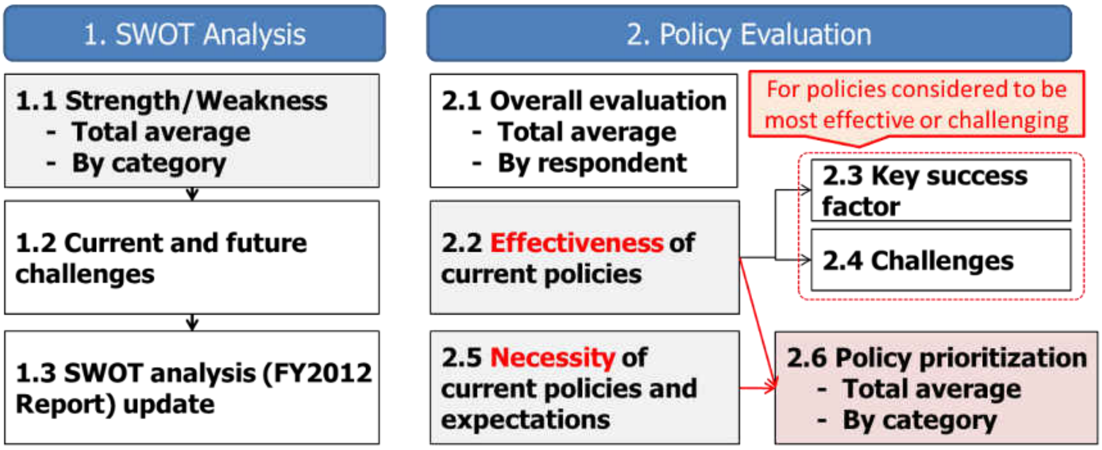
2.4.1. Analysis items

Figure 1-4 outlines the fundamental analysis items in this study:

(a) **SWOT analysis.** Strengths/weaknesses are internal factors, and opportunities/threats are external.[1] This framework is adopted to understand similarities and differences among member countries covered by the study and was used in the FY2012 Report. This study updates it by taking into account the results of the questionnaire-based survey.

(b) **Policy evaluation.** This study focuses on the effectiveness and necessity of policies and prioritises them by quantitatively analysing the survey results.

Figure 1-4: Analysis Items



Source: Authors.

2.4.2. Prioritisation of policies

For simplicity, this study defines the performance indicator of policy activities as a unique metric that provides the quantitative degree of priorities for each policy: the lower the figure, the higher the priority of policy improvement.

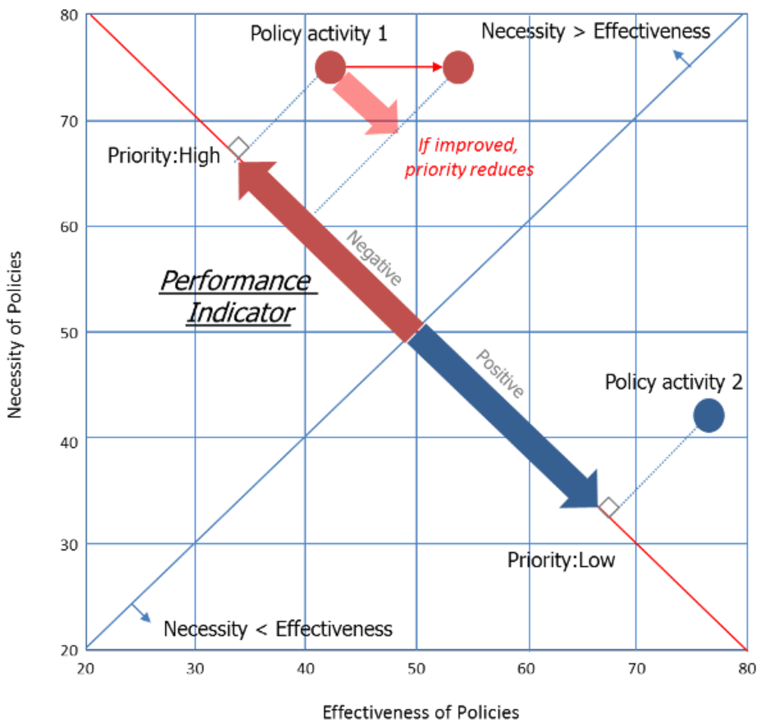
The questionnaire survey's quantitative outcomes for each policy activity's necessity and effectiveness are converted into deviation values to relatively map the results (Figure 1-5). Each plot in the figure describes the policy activity. Necessity equals

[1] For details, see the FY2012 Report.

effectiveness at the 45-degree line. The performance indicator represents the distance between the plot and the 45-degree line. Therefore, if the plot is placed on the upper-left side of the 45-degree line, the indicator is negative (necessity is greater than effectiveness), implying relatively low performance of the policy activity, and requires improvement (high priority). Conversely, if the plot is placed on the lower-right side of the 45-degree line, the indicator is positive (necessity is less than effectiveness), implying that the performance of the policy activity is relatively high (low priority).

Figure 1-6 shows an example list of performance indicators for 15 policy activities.

Figure 1-5: Definition of Performance Indicator



Source: Authors.

Figure 1-6: Example List of Performance Indicators

Policy Activities	Performance Indicator
1. Communicate industrial development visions, master plans, statistics	- 0.6
2. Stimulate establishment of industrial clusters, market development, new business models	5.6
3. Support industry-led organizations to aggregate industrial interests and/or functions	2.6
4. Support building of business relationships	7.2
5. Establish international agreements	- 2.9
6. Promote brands and campaigns, international trade events and meetings	- 2.0
7. Establish standards, qualification and/or certification framework for related skills and knowledge	3.1
8. Support for education	- 5.2
9. Introduce incentive schemes to encourage investments	- 9.8
10. Establish governmental financing schemes to promote private financing	3.4
11. Establish technological standards to ensure interoperability	- 0.7
12. Foster R&D and technological innovation, develop communication networks and media	- 1.4
13. Introduce and review regulatory frameworks for market entry, content quotas	- 1.4
14. Introduce and review intellectual property rights protection, management, anti-piracy measures	- 2.7
15. Introduce and review content-rating framework	4.7

Above 0
= Effectiveness > Necessity
= Low priority

Below 0
= Effectiveness < Necessity
= High priority

Source: Authors.

2.5. Questionnaire-based survey

2.5.1. Selection of respondents

The survey aimed to collect opinions and ideas from stakeholders in each member country's content industry. Respondents were categorised into companies, industrial organisations and academic experts, and policymakers (e.g. ministries, regulators). Some questions were solely for company respondents (Appendix 4).

The initial number of target respondents was set based on what the working group member countries considered desirable and feasible. Each country aimed to collect at least 20 replies, which would have totalled 160.

The number of replies from each country was insufficient to be statistically significant. Due to time and budget constraints, however, the survey dispensed with its aim of covering each country's content industry in a statistical manner with a sufficient number of survey samples,[2] and instead aimed to assess the industry's overall condition and issues by covering the major players. Instead of being interviewed on site, respondents were given large sets of questions, the answers to which could be evaluated in detail and provide consistent assessment on various issues. The questionnaire survey results were analysed, evaluated, and referenced with other research results in this study, such as policy implementation (Chapter 4) and market trend analysis (Chapter 2).

Table 1-1 describes the categories of respondents and initial target per country. Respondents were selected by the working group, with the industry structure and survey objectives as the main considerations.

Table 1-1: Description of Respondent Categories and Initial Targets per Country

Category	Description	Initial Target (number of respondents)
Content Business Companies	- Companies engaged in content business (TV broadcasting, film, animation, games, music) - Variety in terms of value chain (production, aggregation, distribution, etc.) is preferred. - Company size should be carefully considered, as certain policies favour big, medium-sized, and small players.	10–15
Industrial Organisations, Academic Experts	- Organisations promoting content business domestically, regionally, and internationally (marketing, networking, exportation, funding, etc.) - Not limited to pure industry-led organisations (government-supported organisations can be included) - Academic experts	1–4
Policymakers, Government	- Government organisations in charge of promoting content industry, regulatory bodies - Not limited to a single respondent from one organisation	4–6

Source: Authors.

[2] Statistical data on each country's industry and market structure were too limited to ensure statistical significance in a quantitative manner.

2.5.2. Collection process

The survey was conducted via a web-based questionnaire (except for some respondents who used paper survey sheets) in English (Indonesia, Malaysia, Philippines, and Singapore) or in translation (China, Korea, Japan, and Thailand).

Table 1-2 shows the total number of responses in eight countries. Due to limited time and resources, the number of replies collected in each country varies.

Table 1-2: Number of Responses

Country	Respondent Category			Total
	Company	Industrial Organisation or Academic Expert	Policymaker (e.g. ministry, regulator)	
China	9	5	–	**14**
Indonesia	5	2	3	**10**
Japan	15	12	5	**32**
Korea	12	7	3	**22**
Malaysia	14	2	2	**18**
Singapore	22	1	1	**24**
Philippines	19	6	5	**30**
Thailand	22	5	4	**31**
Total	**118**	**40**	**23**	**181**

Source: Authors.

CHAPTER 2

Market Trends in the Content Industry

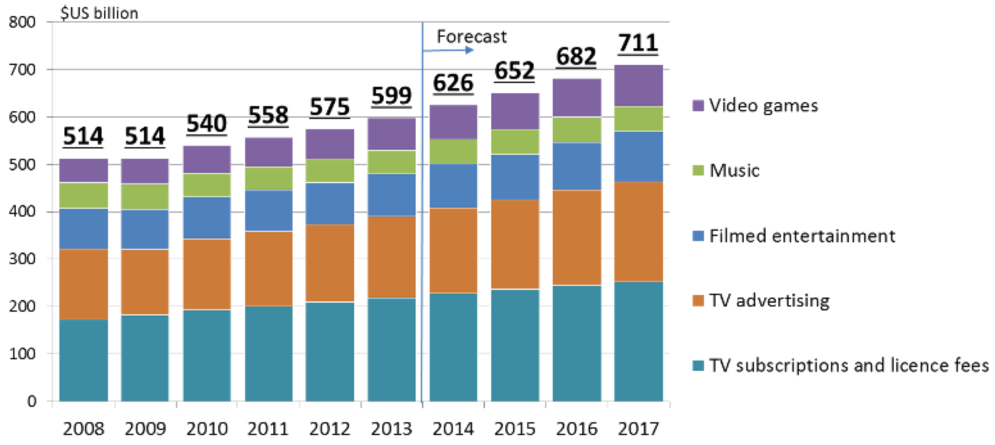
1. Global Trends

1.1. Market size and growth

Figures 2-1 and 2-2 show how global content market sectors have developed and how the content industry is expected to grow in the next few years (compound annual growth rate [CAGR] for 2013–2017), based on PricewaterhouseCoopers data.

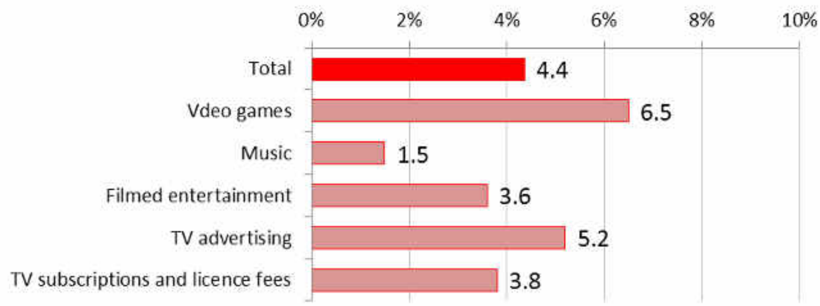
Figure 2-1 indicates a steadily expanding global content market, reaching US$599 billion in 2013 and forecast to hit US$711 billion in 2017. All the industry sectors are predicted to grow, with video games expanding the most rapidly at 6.5 percent CAGR. (The average CAGR is 4.4 percent.)

Figure 2-1: Market Revenue Forecast for Global Content Industry by Sector



Source: PricewaterhouseCoopers (2013), *Entertainment and Media Outlook 2013–2017.*

Figure 2-2: Compound Annual Growth Rate, 2013–2017



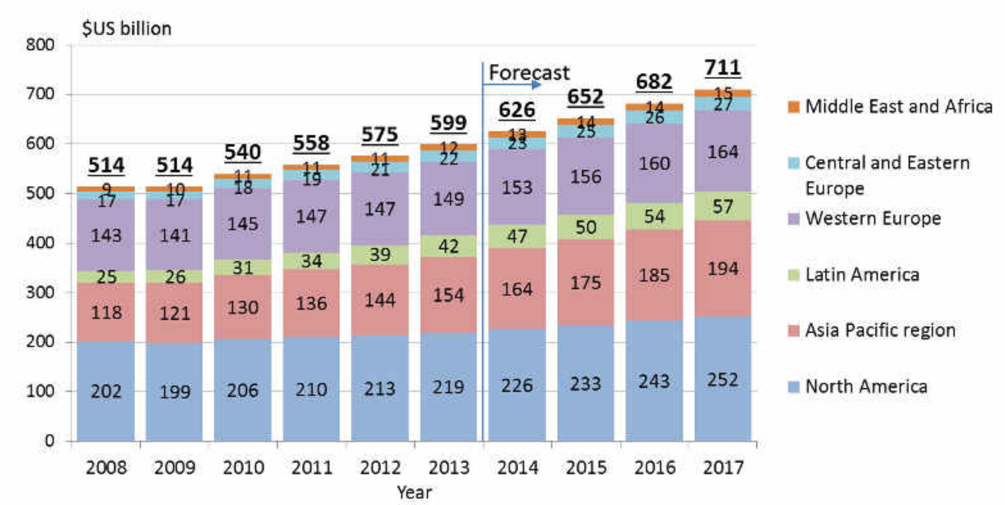
Source: PricewaterhouseCoopers (2013), *Entertainment and Media Outlook 2013–2017.*

1.2. Regional trends

Figure 2-3 shows how the market size of each region has developed and how it is expected to grow in the next few years. Figure 2-4 illustrates how each regional market has contributed to the growth of the global content market.

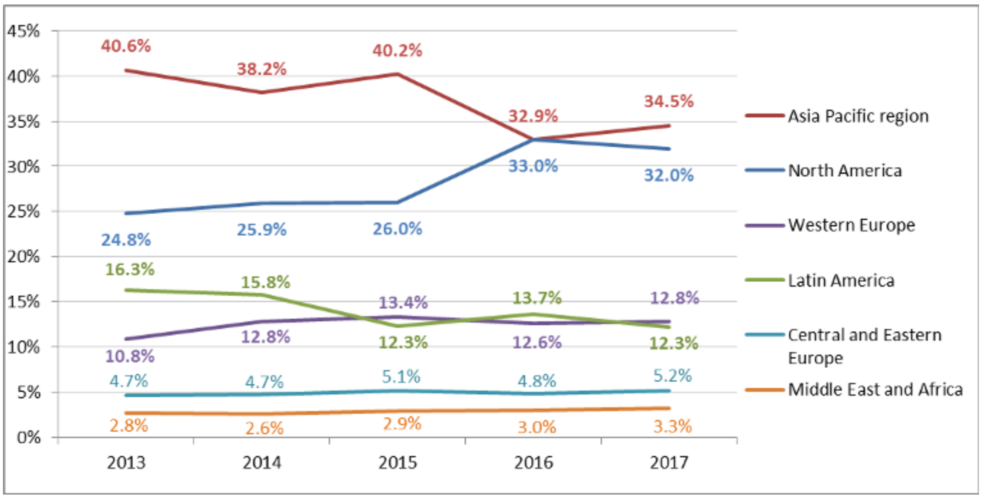
Figure 2-3 shows that the Asia-Pacific region has a market size of US$154 billion, accounting for about 25 percent of the global market, second only to North America. The Asia-Pacific region is also the fastest-growing market and contributes most to global growth. With its market revenue forecast at more than 1.5 times larger in 2017 than in 2008, it can be safely said that the Asia-Pacific region will continue to be the driving force in the global content industry market.

Figure 2-3: Market Revenue Forecast for Global Content Industry by Region



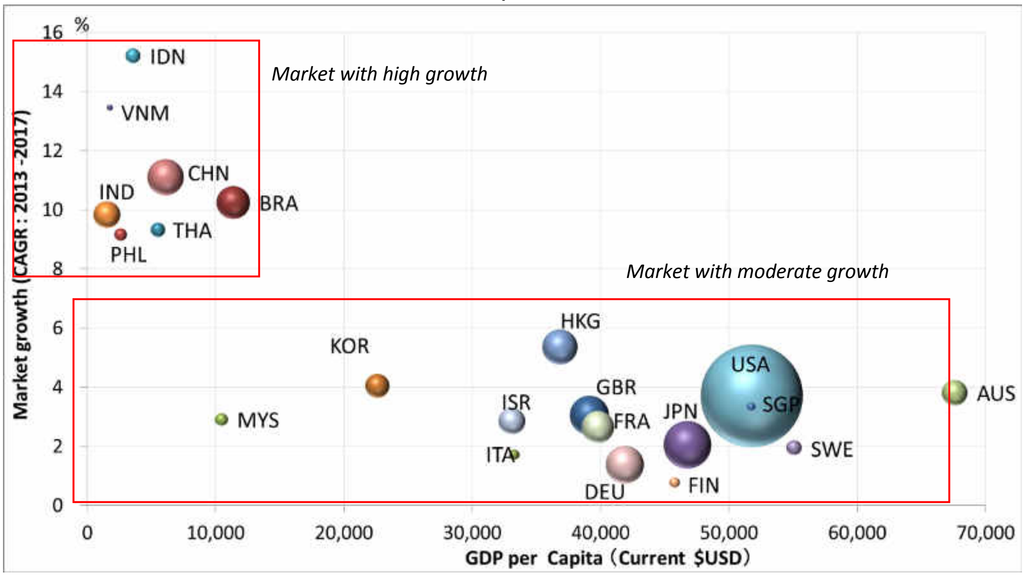
Source: PricewaterhouseCoopers (2013), *Entertainment and Media Outlook 2013–2017*.

Figure 2-4: Regional Contributions to the Global Market



Note: Contribution is derived by dividing regional increment revenue by global increment revenue.
Source: PricewaterhouseCoopers (2013), *Entertainment and Media Outlook 2013–2017*.

Figure 2-5: Cross-Country Comparison of GDP per Capita, Market Growth, and Market Size



AUS = Australia, BRA = Brazil, CAGR = compound annual growth rate, CHN = China, DEU = Germany, FIN = Finland, FRA = France, GBR = Great Britain, GDP = gross domestic product, HKG = Hong Kong, IDN = India , IND = Indonesia, ISR = Israel, ITA = Italy, JPN = Japan, KOR = Korea, MYS = Malaysia, PHL = Philippines, SGP = Singapore, SWE = Sweden, THA = Thailand, USA = United States of America, VNM = Viet Nam.

Note: Bubble size represents the amount of the revenue in each market in 2013 (US$ million).

Source: PricewaterhouseCoopers (2013), *Entertainment and Media Outlook 2013–2017*.

2. Cross-Country Comparison

Figure 2-5 shows cross-country comparison of gross domestic product (GDP) per capita, and market growth rate and size of the content industry. Bubbles representing countries spread out vertically and horizontally signify content industry markets of different sizes at various stages of development. Japan, Korea, Malaysia, and Singapore have relatively high GDP per capita, with the content industry growth rate at below six percent. Among the four countries, Japan has the largest market, second only to the United States. In contrast, China, Indonesia, the Philippines, and Thailand have market growth rates of above 8 percent, with Indonesia having the highest at over 15 percent.

CHAPTER 3

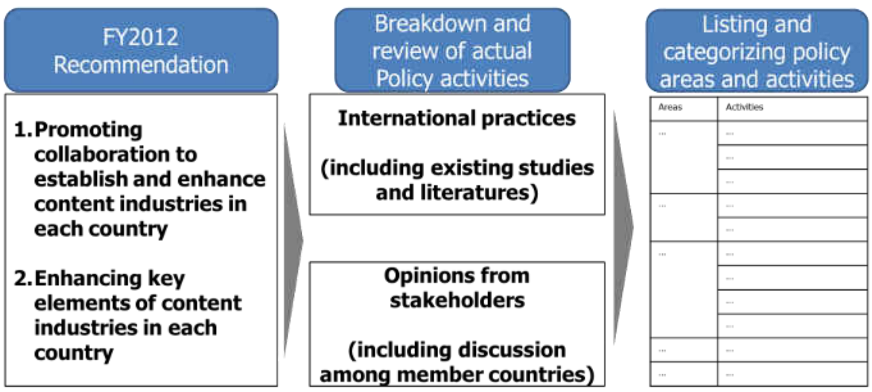
Classification of Content Industry Promotion Policies

This chapter explains the classification of content industry promotion policies, which, along with the policy recommendation of the ‘Study on the Development Potential of the Content Industry in East Asia and ASEAN Region’ (FY2012 Report), was used to formulate survey questions. To reflect current and future issues, the classification was modified after discussions at international forums and interviews with stakeholders in the region. Some 38 policies identified in this way were further categorised, using a classification model with 7 policy areas and 15 policy activities, to measure the performance of each policy through a questionnaire-based survey.

1. Methodology for Policy Classification

Figure 3-1 describes the methodology for classifying and categorising content industry promotion policies.

Figure 3-1 : Methodology of Policy Classification



Source: Authors.

The objective of this procedure is to derive a classification model of related policies to promote the content industry, which can be used as the basis to measure policy effectiveness and necessity (demand) as described in the following chapters. At the same time, the model can be used as a framework for policy discussion and analysis, which can contribute to initiative planning in the countries and enhance collaboration among them.

The starting point of the classification is the policy recommendations from the FY2012 Report, which focus on promoting collaboration among countries and on enhancing four key elements (human resources, business promotion, content trading, and use of new technologies) of the content industry in each country. The recommendation is summarised in Figure 3-2.

While the recommendation covers major topics, including current and/or rising issues identified in the FY2012 Report, it was deemed necessary to widen the coverage of policies to build a mutually exclusive and collectively exhaustive (MECE) framework. The policies were, therefore, broken down and reviewed by asking the following:

- Do the policies reflect international experience and practices?
- Do the policies cover strengths/weaknesses, opportunities/threats (SWOT)[1] and serve the interests of each country and the region?
- Do the policies cover various types of content products (horizontal aspects) and value chain (vertical aspects)?
- Are the policies capable of adapting in the long term to changes in the environment?
- Are the policies (e.g. number of policy lists) appropriate for effective

[1] For details, refer to the FY2012 Report.

evaluation among stakeholders? (Neither too many nor too few, even if they meet MECE criteria.)

To cover these viewpoints, desktop research on international practices, including studies and literature, was conducted. To reflect business practices, stakeholders were interviewed and discussions conducted among member-country representatives.

Figure 3-2 : Summary of the FY2012 Report's Policy Recommendation

1. Promoting collaboration to establish and enhance the content industry in each country

(1) Continuous effort to provide collaboration opportunities (G-G, G-P, P-P)
* G = Government, P = private sector.

(2) Standardization of frameworks and tools for quantitative evaluation, such as statistics for content industries

(3) Enhancement of cooperative promotion policy for international co-production (bilateral and multilateral)

(4) Promotion of standardization of regulations and policy measures (e.g. rules and customs related to international co-production)

2. Enhancing key elements of content industries in each country

2.1	Human resource development	(1) Support for talent scouting and training (2) Support for job creation in media and content industries (3) Development of training program (to fill supply and demand gaps between academia and industry) (4) Deregulation of personnel exchange and simplifying the procedure
2.2	Business promotion	(1) Establishment and improvement of funding scheme (e.g. introduction of incentive scheme for domestic and international funding) (2) Joint provision of resources for content localization (e.g. sharing information on companies, price lists, and evaluations) (3) Promotion of international co-production
2.3	Expansion of content trading	(1) Commonization of intellectual property system (2) Joint countermeasure against piracy (3) Deregulation of content importing
2.4	Effective use of new technologies	(1) Provision of opportunities for information sharing and exchange of ideas among governments and business operators of each county (2) Promotion of international standardization of new technologies

Notes: FY2012 Report = 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region'.
Source: FY2012 Report.

2. International Practice

2.1. Examples of classification of policy areas and principles (Organisation for Economic Co-operation and Development)

The Organisation for Economic Co-operation and Development (OECD) (2005)[2] addresses business and public policy issues, focusing on developing digital content and services and diffusing high-speed broadband, which raise new issues for existing business models and governments. The report states that public policy must recognise these changes, modify the policy and regulatory environment, and be aware of governments' part as content creators and users. The issues are divided into the following areas:[3]

a) innovation and technology (e.g. enhancing research and development and innovation in content, networks, software, and new technologies);

b) value-chain and business-model issues (e.g. developing a competitive and non-discriminatory business environment);

c) infrastructure enhancement (e.g. technology for digital content delivery, standards, and interoperability);

d) business and regulatory environments that balance the interests of suppliers and users in areas such as the protection of intellectual property rights and digital rights management, without disadvantaging innovative e-business models;

e) governments as producers and users of content (e.g. commercial reuse and pricing of public sector information); and

f) conceptualisation, classification, and measurement issues.

[2] Working Party on the Information Economy DIGITAL BROADBAND CONTENT Digital content strategies and policies (http://www.oecd.org/internet/ieconomy/36854975.pdf).
[3] Quoted from the original document.

OECD (2008)[4] puts forth three policy principles in its Policy Guidance for Digital Content (Table 3-1). The principles describe the target and expected outcomes of the policies and not the policy measures themselves.

Table 3-1: Policy Guidance for Digital Content
(Organisation for Economic Co-operation and Development)

1. Promoting an enabling environment

- Policies that encourage a creative environment that stimulates market and non-market digital content creation, dissemination, and preservation of all kinds
- Policies that facilitate research and development and innovation in digital content creation, dissemination, and preservation, and digital content–related networks, software and hardware, open standards, and interoperability
- Policies that help ensure that capital markets (e.g. venture and risk capital) work competitively in funding innovation and digital content ventures
- Initiatives that address shortages in skills, training, education, and human resource development to create, distribute, and use innovative digital content
- Policies that stimulate enhanced knowledge creation and the dissemination, lawful use, and preservation of different forms of digital content (including access to information, research, data, and publications); encourage investments in such creation, dissemination, and preservation; and encourage global access to content regardless of language and origin
- Policies that enhance access and more effective use of public sector information
- An environment that promotes freedom of expression and access to information and ideas

2. Enhancing the infrastructure

- Policies that encourage investment in new network infrastructure, software, content, and applications
- Policies that work to improve regulatory parity and consistent policy treatment across different and, in some cases, converging content delivery platforms (including next-generation networks), technological environments, and value chains
- Policies that encourage technology-neutral approaches, interoperability, and open standard development to address technological issues related to digital content creation, dissemination, use, and preservation
- Policies that improve applications to deliver and use digital content, including by promoting effective management, preservation, and dissemination tools that enhance access and use of different types of digital content
- Policies that make digital content accessible to everyone, regardless of location, so they can reap the full benefits of the Internet economy and the global digital environment

[4] OECD Policy Guidance for Digital Content, http://www.oecd.org/internet/ieconomy/40895797.pdf

3. Fostering the business and regulatory climate
● Policies that encourage developing innovative business models, spreading best practices, and adapting value chains in the digital environment ● Policies that support non-discriminatory business and policy frameworks that reinforce competition ● Policies that recognise the rights and interests of creators and users (e.g. protection of intellectual property rights), while encouraging innovative e-business models ● Policies that provide incentives to create, disseminate, and preserve digital content (e.g. through open innovation strategies, university–business collaboration, incentives for long-term research, and intellectual property rights) ● Policies that improve information and content quality and accuracy (e.g. policies that facilitate the use of tools to help creators identify and disseminate their works, and users to identify and access specific information and works) ● Policies that enhance confidence in the creation and use of digital content by protecting privacy and consumers, discouraging identity misrepresentation and theft and protecting children from harmful content by clearly informing users of means of protection, reducing digital copyright infringement, promoting information and network security while striking the balance between openness and security in content environments, and, more generally, strengthening cross-border cooperation and practical measures to reach these goals ● Policies that improve online commercial transactions, including mechanisms for payment and micro-payments, electronic signatures and authentication, and international interoperability of these mechanisms ● Clarifying taxation issues as they relate to digital content products

Source: Organisation for Economic Co-operation and Development (OECD) (2008), *OECD Policy Guidance for Digital Content*.

2.2. Inputs from stakeholders

Content industry stakeholders were interviewed to complement the policy classification with the viewpoints of business people, focusing on measures to develop and expand domestic and regional content industries. Stakeholders' comments covered export of content, ripple effect, and expected effects and priorities of policy implementation (Table 3-2).

Table 3-2: Overview of Interviews

Item	**Description**
Date	22–24 October 2013
Place	Odaiba, Tokyo (TIFFCOM 2013)
Interviewees	**Seller (including industry associations)** a. Association of Filmmakers of Cambodia **Buyer (including industry associations)** b. Madman Entertainment, Australia c. Taipei Multimedia Production Association, Taiwan d. CTH (Cable Thai Holdings Plc), Thailand **Government or agency** e. Film Industry Development, Ministry of Tourism and Creative Economy, Indonesia f. Korea Creative Content Agency g. Ministry of Culture, Thailand h. Thailand Film Office
Interview Questions	**1. Content market and industry trends in interviewees' country** ✓ What do you think of important policy measures for the growth of domestic content industry? ✓ What do you think of important policy measures for the increase of content exporting? ✓ What do you think of important policy measures for the enhancement of the ripple effect from content industry? **2. Content market and industry in the Asia-Pacific region** ✓ What do you think of important policy measures for the development and growth of content industry in the region? E.g. human resource development, business promotion, expansion of content trading, effective use of new technology **3. The most important and necessary policy measures and reasons** **4. Expected effects of implemented policy measures** **5. Priority of policy measures**

Source: Authors.

Table 3-3 summarises the opinions of interviewed stakeholders. Funding, incentives, subsidy, taxation, and international cooperation seem to be recognised as important in realising the principles outlined in Section 2.1.

Table 3-3: Summary of Interview Research

Extracted Items	Opinions
Marketing, Research	● A research group for content promotion has a variety of data and information and offers knowledge, information, and documents to the government. [KOR, G] ● Opinions are regularly collected through advisory committees and industry-related seminars and discussions. [KOR, G]
Events, Conventions, Competitions	● Attending international events is important to promote not only the film industry but also Cambodia's image. [CAM, S] ● International events are valuable and effective in engaging buyers. [AUS, B] ● Buyers wish to have more chances to meet and cooperate with sellers. [THA, B] ● A roadshow in film markets will introduce the Thailand Film Office to the world as the organisation that buyers should contact in the first place. [THA, G] ● A short-film competition is held regularly and Thailand's government finances three to four films a year. [THA, G] ● Film festivals at embassies are held as a way of exporting Indonesian content. [IND, G]
Funding, Incentives, Subsidies, Taxation	● Providing annual funding from US$200,000 to US$3,000,000, or US$10,000 per movie, would help producers. [CAM, S] ● Tax exemption from 15 percent to zero would be beneficial. [THA, B] ● The prime minister has approved providing incentives for foreign film productions in Thailand. [THA, G] ● The government waives income tax for foreign actors and actresses instead of refunding the value-added tax for international film productions. [THA, G] ● Subsidies for production, establishing funds, and export indemnity are favoured by the industry. Subsidy for production is strongly requested by the film and animation sector, and export indemnity by the animation and broadcasting sector. [KOR, G]
Anti-Piracy Measures	● Since film piracy remains a primary concern for local producers, the Motion Picture Association of Cambodia continues to enforce the copyright framework. [CAM, S] ● International cooperation for timely localisation of films and TV programmes may be a good start for coping with rapid market changes and preventing potential customers from consuming illegally downloaded and pirated films. [AUS, B]
Trading of Content, Global Market	● Content distribution will be more international through the ASEAN Economic Community. [THA, B] ● The Lao PDR, Viet Nam, Myanmar, and Cambodia are potential markets for Thai films. [THA, G]

Extracted Items	Opinions
International Cooperation	● To develop co-production in Asia, production crew training programmes in Cambodia must be abreast of production schemes and processes in other countries. [CAM, S] ● The United Nations Educational, Scientific and Cultural Organization (UNESCO) recognises the importance of developing the regional content industry and supporting regional events. [CAM, S] ● Manpower and human resource development in the region can be enhanced through overseas training programmes for young film-makers. [THA, G] ● Co-production should be free from constraints in each country. [THA, G] ● Communication exchange based on mutual trust, cultural exchange, and networking is a priority. [KOR, G] ● Co-production and joint ventures are planned to diffuse more content. [KOR,G]
Human Resources	● Labour mobility should not constrain international collaboration. [THA, G] ● Collaboration in human resources such as ASEAN exchange programmes is important for human resource development. [THA, G] ● Universities in Thailand do not offer many programmes related to film. The National Film Committee is considering creating a programme or training course. [THA, G]
General Policy or Strategy for Promoting the Content Industry	● Strong legislation is important (e.g. Basic Law for the Promotion of Cultural Industries, Korea, 1999). [KOR, S] ● Promotion policies need to be consistent and easy to understand (e.g. applying for funds must be simple). For example, there was confusion concerning a stimulation project—SP2 Project—as it was managed by four ministries. [THA, G] ● The government needs to clarify what it should do or not do for the content industry. [THA, G] ● Culture should be used as a tool to create the potential for jobs, audience, and good relations, and not just for money. [THA, G]

AUS = Australia, B = buyer, CAM = Cambodia, G = government, IDN = Indonesia, KOR = Korea, S = seller, THA = Thailand.
Source: Authors based on interview survey.

3. Classification of Policies

Table 3-4 shows the policies identified, taking into account the results in previous sections. The list reflects a macro perspective, focused on developing markets and the industry, and a micro perspective, focused on supporting businesses. Added to the policy recommendations of the FY2012 Report are policy areas such as 'promoting industry clusters' to build sustainable economic growth, and 'industrial visions' to build stakeholder consensus. From a micro perspective, 'business coordination and consultation' is added to facilitate business matching and the development of innovative business models.

The 38 identified policy activities contain aspects of the purpose and the means to realise the purpose. For instance, policies related to finance or human resources basically represent the means, and generally have broad or multiple purposes. Mutually exclusive categorisation must therefore holistically compare and measure policy performance to increase stakeholders' understanding of policy.

Consequently, the list in this study is first categorised by consolidating policies based on objective and area (Table 3-5). Referring to the macro and micro perspectives in Table 3-4, two policy objectives can be defined, each with policy areas:

- Promote the content industry and market development
    - Promotion of industry (as a whole)
    - Promotion of business relationships and schemes (mainly within the domestic market)
    - Promotion of content in the international market
- Provide the basic infrastructure and promote competitiveness of content business and creation
    - Human resources
    - Finance
    - Technology

- Legal framework

Finally, policy areas can be subdivided into practical policy activities (Table 3-6).

Table 3-4: Identified Policies

Perspective	Policy Areas	Policy Activities
Macro, Focusing on Market and Industry	Promoting market development	Regulation (market entry restriction, quotas, etc.)
		Promoting competition
		Promoting market creation (fostering content demand)
		Deregulation (market entry restriction, quotas, etc.)
	Regulatory framework	Intellectual property rights protection, anti-piracy measures
		Tax incentives
	Promoting industry clusters	Fostering content-industry clusters
		Facilitating content archives
	Human resource development	Standardising content business skills
		Qualification and certification for content business–related skills
		Fostering educational systems (degrees, internships, training, etc.)
	Technology	Standardisation, protecting interoperability
		Technology research and development, promoting innovation
	Marketing and branding	Marketing support in international trade and expos
		Promoting brands (campaign, events, etc.)
	Infrastructure development	Broadband network and media (broadcast, etc.) deployment
		Promoting content accessibility and affordability
	International cooperation	Hosting of or participation in international conferences and meetings
		International agreements (co-production, etc.)
	Industrial visions	Creating industrial vision, master plans to promote industry
		Fostering new business models
	Organisation	Establishing organisations (policy side, industry side, or both)
	Statistics	Developing statistics and databases

Perspective	Policy Areas	Policy Activities
Micro, Focusing on	Finance	Incentive schemes (funds, etc.)
		Government funds and financing
		Promoting industrial funds and financing

Supporting Businesses		Promoting investments (through tax incentives, etc.)
		Funds for activity costs (localisation, etc.)
	Human resources	Incentive schemes for human resource development (funds, etc.)
		Support for human resource development (information sharing)
	Technology	Seminars and training on adopting new technologies
		Tax incentives, fund support for adopting new technologies
	Business coordination, consultation	Business matchmaking (supply side, demand side)
		Matchmaking between human resources and education
		Matchmaking for human resources
		Mediation of related services (localisation and rights management)
		Facilitation, consultation
	Marketing and branding	Support for participation in international trade and expos

Source: Authors.

Table 3-5: Definition of Policy Areas (Aggregated)

Main Objectives	Policy Area	Definition
Promote the Content Industry and Market Development	Industry promotion	Policies to set goals and define the structure and direction of the content industry. Include defining the industry vision and direction; forming industry clusters; developing markets, including public demand; and fostering new business models
	Business relationships, schemes	Policies to promote individual sectors and business organisations. Include schemes for understanding industry demand, providing support and function, and facilitating internal and external relationships
	International relationships	Policies to foster international relationships and development. Include signing treaties and networking among countries, participating in or hosting international events and conferences, and engaging in international marketing and national branding
Provide the Basic Infrastructure and Promote Competiveness of Content Business and	Human resources	Policies related to human resource development and capacity building required in content business. Include standardising skills and knowledge, establishing certification and authorisation programmes, supporting educational programmes
	Finance	Policies related to fund-raising for content business. Include introducing incentive schemes and subsidy and

Creation		funding programmes to induce investment and loans from the public and private sectors
	Technology	Policies related to developing and adopting technologies. Include standardising technologies, fostering research and development and innovation, and developing communication networks and media
	Legal framework	Policies related to regulation and legislative frameworks. Include content quotas, market-entry rules, intellectual property protection, anti-piracy measures, and content rating

Source: Authors.

Table 3-6: Policy Classification Model

Main Objectives	Policy Areas	Policy Activities	
Promote the Content Industry and Market Development	Industry promotion	1	Communicate industrial development visions and master plans and provide relevant statistics for benchmarking
		2	Stimulate the establishment of industrial clusters, promote market development that spurs content demand (including the practical use of government and public-funded content), or foster new business models (e.g. sharing best business practices)
	Business relationships and schemes	3	Support industry-led organisations (e.g. industrial associations and consortiums) to aggregate industrial interests and/or functions (e.g. funding, marketing, and business support)
		4	Support the building of business relationships (e.g. business matchmaking and promoting partnerships)
	International relationships	5	Establish international agreements (e.g. promoting co-production schemes and trade treaties)
		6	Promote brands and campaigns, host or support participation in international trade events and meetings
Provide the Basic Infrastructure and Promote Competiveness of Content Business and Creation	Human resources	7	Establish standards for business skills, and qualification and certification frameworks for related skills and knowledge
		8	Support education (e.g. funding for academic degree programmes, internships, and training courses)
	Finance	9	Introduce incentive schemes (e.g. tax incentives) to encourage investments
		10	Establish government financing schemes (e.g. subsidies and funds) to promote private financing

	Technology	11	Establish technological standards to ensure interoperability to increase adoption and usage
		12	Foster research and development and technological innovation, develop communication networks and media to enhance content distribution and consumption
	Legal frameworks	13	Introduce and review regulatory frameworks for market entry or content quotas
		14	Introduce and review intellectual property rights protection and management and anti-piracy schemes
		15	Introduce and review content-rating frameworks (regulation or guidelines to introduce industry self-regulation)

Source: Authors.

CHAPTER 4

Review of Policy Planning and Implementation

This chapter introduces the current status of policy planning and implementation for enhancing the content industry in each member country.

1. China

With the economy's rapid development, the government is paying more attention to improving cultural life and promoting Chinese culture. As defined by the government, the culture industry includes businesses that produce cultural goods and services, activities that provide cultural and entertainment goods and services, and goods and services related to these activities. The Tenth Five-Year Plan (2002) stated that the culture industry covered live performing arts, film, audiovisual products, entertainment, tourism, arts training, and artistic products. The culture industry was further divided into core, peripheral, and culture-related groups.

Now, the Culture and Related Industry Classification (2012) standard defines culture and related industries as a collection of related products, cultural products, and cultural activities for the public. The culture industry is further classified into cultural product production, cultural product–related production, cultural goods production, and cultural equipment production.

The government promotes the culture industry as a core industry and sets a progress target from the current 3.5 percent to 5.0 percent of gross domestic product (GDP) by 2015. To meet this goal, China has been enhancing the audio visual content industry in particular.

China is strategically adjusting its economic structure, focusing on creating a thriving cultural market and boosting domestic demand for culture. The government has begun to adopt policies and measures to facilitate the culture industry's development, including by speeding up the transformation and upgrading of traditional industries, promoting the integration of culture with science and technology, developing new forms of cultural operations, unleashing the potential of cultural consumption, and making cultural operations larger and more specialised. As a result, the culture industry has grown rapidly.

Data from the National Bureau of Statistics of China (2012) show that the value added of legal entities in the culture industry was RMB1,807.1 billion, accounting for 3.48 percent of GDP growth in 2012. In 2004, the value added was RMB344 billion. This shows that the culture industry has developed rapidly in recent years, and is likely to become a mainstay of the national economy.

The economy is facing transformation and fostering a new growth area, which is a golden opportunity for the culture industry. It is sponsored by the government, however, and lacks market operation experience, and thus faces two major problems regarding capital and human resources. Although new technologies can bring about the convergence of related industries, not enough attention has been paid to such convergence in China. Slow convergence may impede the culture industry's development. To solve these problems, the government issued new promotion policies in 2014, one of which is 'Opinions on Promoting the Integrated Development of Cultural and Creative Design Services and Related Industries' (State Council of China, February 2014). The other latest policies are in Table 4-1.

2. Indonesia

The government recognises the potential for a creative economy to create jobs, eradicate poverty, increase the national income, and nurture nationalism.

Table 4-1: Initiatives and Measures in China

Category		**Description**
Policy Promoting Content Production	Investing non-public capital in the content industry	● Encourage and support the participation of non-public capital in producing and distributing film and TV dramas
	Promoting TV dramas	● Reformulate management policy; promote the production of TV dramas based on social reality; emphasise the importance of authors' rights, and empower provincial radio, film, and TV bureaus to oversee domestically produced TV dramas with the participation of actors from Hong Kong and Macao
	Promoting animation	● Encourage the participation of private capital in the animation industry, emphasising the equality between private and public investors ● Assure the systematic production of various genres of animation, reducing redundancy
	Promoting the production of documentaries	● Set up a sound market system and encourage export of domestic documentaries ● In 2011, SARFT set up a mechanism to recommend domestic documentaries to radio and TV broadcasters.
	Promoting the profitability of film	● 'Guidelines Concerning the Prosperity and Development of Film Industry', State Council (2010) ● 'Guidelines Promoting the Balanced Development of the Production, Distribution and Screening of Films' suggests distributing the first round of profit in favour of producers.
Favourable taxation and funding		● In 2011, the first national investment fund—of RMB20 billion—was launched. Fields of interest are radio, film and TV, press and publications, culture and arts. ● In 2011, the Ministry of Finance, Central Administration of Customs, and State Administration of Taxation jointly issued a temporary regulation—'No Taxation on Animation Enterprises Importing Products for the Purpose of Production'—providing for a four-year tax-free period. ● In 2011, SARFT set up a special fund to develop domestic documentaries, giving awards to talents, producers, and broadcasters who have contributed to the field. ● In 2012, China set up the first documentary film fund to produce high-quality documentary films every year. The fund is RMB1 billion, with RMB200 million as the first round of stipend. ● In recent years, the special film fund supported building cinemas and adopting digital technology. In 2011, the fund was RMB610 million, and increased by RMB147 million. The same year, RMB546 million

Category	Description
	was spent to build new cinemas, renovate old ones, and subsidise installation of digital equipment. ● 'Opinions on Financial Cooperation to Further Promote the Culture Industry', Ministry of Culture, People's Bank, and Ministry of Finance (March 2014)
Promoting content exports	● The government has promoted the participation of private companies in exhibitions in France, Singapore, Japan, Korea, the United States, Hungary, and South Africa. The cost of booths was shared by participating private companies. ● 'Opinions on Accelerating Development of International Cultural Trade', State Council of China (March 2014)

SARFT = State Administration of Radio, Film and Television.
Source: Fang Deyun.

As a sign of its commitment, the government issued Instruction of President of the Republic of Indonesia No. 6 of 2009 Regarding Development of Creative Economy[1]. It provides for an action programme to be implemented by 27 ministries and institutions and local governments, and details policies to develop the creative economy in 2009–2015. One policy supports developing economic activities based on creativity, skill, and individual talent, to foster creative and inventive individuals. In 2008, the government launched 'Vision and Mission of Creative Economy for 2025'.

In 2011, the Ministry of Culture and Tourism was reorganised as the Ministry of Tourism and Creative Economy to focus on making Indonesia competitive in the creative economy.

Other policies also govern the content industry:

1) Law No. 33 of 2009, dealing with the film industry, followed by the establishment of the Indonesian Film Board

2) Law No. 11 of 2008, dealing with Information and Electronic Transactions

3) Ongoing review of the Broadcasting Law and the Press Law

[1] Instruksi Presiden Republik Indonesia. Nomor 6 Tahun 2009. Tentang. Pengembangan Ekonomi Kreatif. Presiden Republik Indonesia.

Table 4-2: Framework of 'Vision and Mission of Creative Economy for 2025'

Item	Description
Vision	● The Indonesian nation with good quality of life and creativity in the world
Mission	● Empower human resources to achieve the following: 1. Increase the creative industry's contribution to GDP. 2. Increase exports of creative products and services that reflect contemporary local content. 3. Increase creative industry jobs. 4. Increase the number of highly competitive firms in the creative industry. 5. Use sustainable resources to protect the earth and future generations. 6. Innovate using the country's wisdom and cultural heritage. 7. Develop creative potential in the country's regions. 8. Develop products and services to build the national brand.
Goals	1. Nurture creative human resources. 2. Develop industries that will lead in domestic and overseas markets, and nurture local entrepreneurs. 3. Develop technology that supports creativity. 4. Use domestic raw materials. 5. Encourage the appreciation and consumption of local products. 6. Win financing institutions' trust to make the creative industry economically attractive.

Source: Simatupang, T. M., S. Rustiadi and D. B. M. Situmorang (2012), 'Enhancing the Competitiveness of the Creative Services Sectors in Indonesia' in Tullao, T. S. and H. H. Lim (eds.), Developing ASEAN Economic Community (AEC) into A Global Services Hub, ERIA Research

4) Establishment of the National Action Plan on the Development of Creative Economy Based on Media

5) Establishment of the National Plan for the Development of the Film Industry

6) Establishment of Creative City in some cities

7) Establishment of vocational senior high schools in some provinces to promote animation and graphic design education

8) Establishment of business incubators to develop media content

9) Government support to communities that develop the creative industry

One government initiative to foster creative talent is the establishment of a school of design and animation, HelloMotion Academy (www.hellomotion.com/), which has an efficient curriculum and offers affordable courses that take only months to complete. Since it started in 2004, HelloMotion Academy has trained more than 2,500 students, many of whom are now working in the animation industry.

In 2004, HelloMotion Academy launched HelloFest (HelloMotion Festival), which started as a graduation event for the first batch of graduates but is now an annual pop culture festival. Conceived as a hub linking creators and early adopters of creative products, the festival brings together at least 20,000 people daily. It has created a channel to deliver ideas to the public and an opportunity for agents in the creative industry to gather and express themselves.

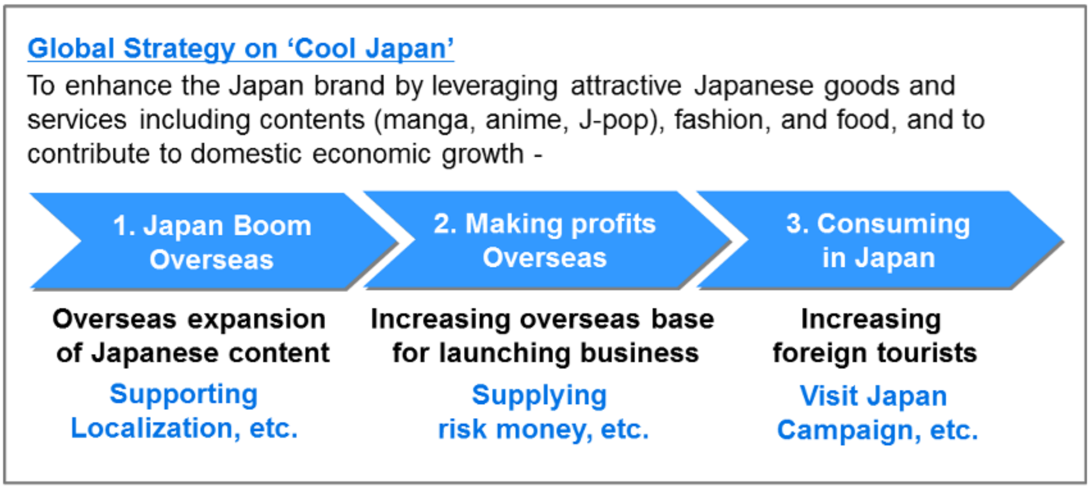
HelloFest is now planning to spread the creative movement to other cities through roadshows, seminars, workshops, and master classes. It is also building a partnership with the governments of the United Kingdom and Japan to open networks for local talents, conduct promotions, and engage the local industry.

3. Japan

Developing the content industry is a strategic pillar in Japan's economic growth strategy. The 'Cool Japan Strategy' aims to use Japanese culture and lifestyle to contribute to a higher added-value economy, promote industry and create jobs, and thereby afford opportunities to small and medium-sized enterprises and the youth. 'Cool Japan Strategy' has three stages: (1) create a 'Japan Boom' overseas, (2) encourage people in other countries to consume goods and services related to Japanese culture or lifestyle, and (3) eventually attract them as tourists to Japan to increase domestic consumption. Content such as animation (*anime*), films, games, music, and TV programmes is believed to play an important role in winning fans in the first stage. The Ministry of Economy, Trade and Industry; Agency for Cultural Affairs; and Ministry of Internal Affairs and Communications are promoting the content industry, including TV broadcasting, film, games, music, and publishing, as integral to the 'Cool Japan Strategy'.

Japanese content, especially *anime* and comics *(manga)*, has long been well regarded in many parts of the world as 'Cool Japan'. Japan's domestic content market has grown to US$150 billion, which is second only to the United States. It does not necessarily mean, however, that the Japanese content industry is successful overseas. The ratio of content exports to total sales remains low due to piracy and counterfeit goods and difficulties adapting to diverse business environments, among others. The content industry is struggling to exploit business opportunities abroad, and the government is implementing various policies to support it. Government support for the 'Cool Japan Strategy' is mainly focused on facilitating international business and building partnerships with other countries, and is expected to result in sustained growth of the content industry of Japan.

Figure 4-1: Overview of 'Cool Japan Strategy'



Source: Ministry of Economy, Trade and Industry (METI), Japan.

Table 4-3: Initiatives and Measures in Japan

Activity	Description
Organise CoFesta (international exhibition) Ministry of Economy, Trade and Industry	● CoFesta (Japan International Contents Festival) is the largest comprehensive content festival in Japan. Eighteen events are held around September to December, the themes of which vary from content (games, *anime, manga,* characters, broadcast, music, and films) to fashion and design. ● The content industry promotes itself overseas with powerful public relations.
Support Localisation and Promotion J-LOP Ministry of Economy, Trade and Industry Ministry of Internal Affairs and Communications	● The Ministry of Economy, Trade and Industry and the Ministry of Internal Affairs and Communications jointly subsidise localisation and overseas promotional activities (J-LOP) for projects relating to Japanese culture, including *anime*, digital comics, films, games, music, and TV programmes. ● The subsidy for localisation is US$95 million, and for promotion, US$60 million. Up to 50 percent of approved expenses are subsidised.
Cool Japan Fund COOL JAPAN FUND Ministry of Economy, Trade and Industry	● The Cool Japan Fund was set up by a joint public–private initiative with US$370 million in November 2013. ● It provides risk money to businesses that try to meet potential overseas demand for ‘Cool Japan’ products and services.
Subsidise International Co-production (film) Agency for Cultural Affairs	● Subsidies are given to selected international film co-production projects. In FY2014, five projects were selected, with a subsidy of either one-fifth of the cost or JP¥50 million. (The Ministry of Economy, Trade and Industry supports an international co-production assessment process.) ● Supported works are expected to help (1) develop overseas markets for Japanese producers and production companies, and (2) advance cultural and people-to-people exchange.
Subsidise International Co-production (broadcast) Ministry of Internal Affairs and Communications	● Subsidies are given to Japanese broadcasters and companies to co-produce audiovisual works with overseas broadcasters. ● The total subsidy budget for FY2012 was US$15 million.

Activity	Description
Anti-Piracy Measures Ministry of Economy, Trade and Industry Agency for Cultural Affairs Ministry of Internal Affairs and Communications	● The government has been supporting the Content Overseas Distribution Association (CODA) in its anti-piracy efforts domestically and overseas. CODA works with rights holders and authorities and organisations in other countries to decrease the use of illegal content. In FY2013, CODA and the Motion Picture Association signed a memorandum of understanding to work more closely together. ● Regarding anti-piracy measures on the Internet, CODA conducted a test to remove illegal video content from video-hosting Internet services in some countries. Almost all requests from CODA were accepted and the illegal content was removed. As for pirated DVDs, CODA works closely with regulatory bodies in other countries to confiscate them. More than 6 million DVDs were seized between January 2005 and March 2013.
Foster Film Producers Ministry of Economy, Trade and Industry	● A programme sends young film producers to top film schools in the United States (US) to train them to take charge of overseas development and management of the total value chain and exploit the value of Japanese content.
Establish ANEW Innovation Network Cooperation of Japan (public–private partnership to promote innovation and enhance the value of businesses in Japan)	● The Innovation Network Corporation of Japan has launched All Nippon Entertainment Works, Inc. (ANEW) to support planning and development for the global market. ● ANEW functions not only as a sales representative for a wide variety of Japanese content and intellectual property, targeting the US and global markets but also providing full-scale operational and financial support for film marketing in the US. ● Leading Japanese intellectual property holders provide multidimensional support, including proprietary access to competitive intellectual property, to ANEW as collaboration partners.
Establish Gloczus Innovation Network Cooperation of Japan	● Gloczus provides small business with translation and promotion services, among others, to support overseas development of their high-quality content.

Source: Ministry of Economy, Trade and Industry (METI), Japan.

4. Korea

In 2012, the domestic content market, which is competitive in terms of platform and content, grew continuously as the export market picked up due to the expansion of

Korean content ('Korean Wave').

The content industry grew due to the efforts of content-related firms, organisations, and associations to develop the industry, and the government's promotion policies.

'The Second Master Plan for Content Industry Promotion' (2014) is one of the government's major content industry–related policies. Its vision is 'achieving national incomes of US$30,000 and developing the content industry to promote the growth of creative economy'.

The strategy to promote the content industry concentrates on laying the foundation to finance, support investment in, and promote start-up content businesses; cultivating creative human resources; expanding into the global market; establishing a creative economy ecosystem; facilitating the use of the ecosystem; strengthening the competitiveness of content by genre; and establishing a cooperative system to foster the content industry.

The government is, therefore, trying to expand private investment in the creative industry and supporting the production of creative content to promote the growth of small content firms. The government is also encouraging research to develop new markets and strengthen research and development (special effects, virtual reality, augmented reality) through customised market content and information and communication technology (ICT) convergence; facilitate the development of community-based cultural resources; and provide opportunities for local people to enjoy culture.

The Contents Korea Lab was established to support and promote start-up businesses and create jobs in the creative content industry. Korea aims to strengthen a sustainable career development system. To cultivate creative human resources, the government is establishing an education system that will foster experts.

Table 4-4: Initiatives and Measures in Korea

Category	Item	Description
Policy Promoting Content Production	Supporting audiovisual content format production	The government supports audiovisual content format production in line with its support for broadcasting content formatting.
	Building a foundation for audiovisual content creation	
	Korea Broadcast Grand Prix Awards	
Infrastructure Support	Operating a production centre in Broadcaster's Centre	Infrastructure for content production support by Korea Creative Content Agency is in Broadcaster's Centre, Mok-dong, Seoul.
	Digital Magic Space Production Centre	The centre was constructed in Sangam-dong, Seoul, in 2006. Broadcasting-related companies are housed in 7 of the building's 12 floors.
	Establishment of digital broadcasting content support centre	A low-priced facility is needed to strengthen competitiveness of independent broadcasting and post-production studios.
Policies Promoting Overseas Distribution	Participation support in international broadcasting trade exhibitions	At such exhibitions, a Korea booth promotes the export of broadcast programmes. Government support is needed to provide export opportunities for producers.
	International broadcasting trade exhibition	Since 2001, Broadcast Worldwide has been revitalising the broadcasting industry and promoting exports.
	Support for reproduction of broadcasting content for export	Reproduction of broadcast content is supported to encourage its export. Such support started in 1999, funding translation, editing, mixer/effect segregation, subtitling, and dubbing.
	Support for overseas distribution	The government prioritises the distribution of reproduced programmes in emerging regions. Programme distribution, local language dubbing, subtitling, and reproduction are supported in regions where needed.
	Support for international broadcasting cultural exchange	International broadcast cultural exchange has existed since 2007 for audiovisual co-production and successively broadcast by each country.
Professional Training (broadcasting)	Cyber Broadcast Academy	The academy provides broadcasting-related education services online to expand the base of broadcasting manpower by narrowing the education gap, broadening the educational foundation, and providing workers an opportunity to study.
	Broadcasting production course at Korea Content Academy	A programme is provided for future broadcasting content production technology and capacity building to train professionals.

Category	Item	Description
	School for drama production	For people with creative capability, a school for drama production strengthens their content capacity and revitalises the industry.
	Expert training in broadcasting technology	In the field of media convergence, an expert training programme in broadcasting technology is divided into a broadcasting production course and a global business course to train highly skilled creative industry leaders.
	3D professional manpower training	Aims to lead in 3D production technology

Source: Ministry of Culture, Sports and Tourism (MCST), Korea.

Table 4-5: Government Support for International Broadcasting Trade Exhibitions

	Trade Exhibition (date)	Support	Total No. of Companies	No. of Support Companies	Exports (in US$ '000)
2012	FILMART (3.19–22)	Booth and equipment rental	648	17	4,893
	MIPTV (4.1–4)	Booth and equipment rental, decoration	3,893	22	16,609
	STVF (6.11-15)	Booth, equipment rental, networking party	156	15	10,747
	TTF (9.19-21)	Booth and equipment rental	83	12	4,034
	MIPCOM (10.8-11)	Booth and equipment rental, decoration	4,609	26	11,722
	TIFFCOM (10.23-25)	Booth, equipment rental, networking party	229	24	23,846
	ATF (12.4-7)	Booth and equipment rental, decoration	1,065	21	5,379
	NATPE ('13.1.28-30)	Booth and equipment rental	252	7	670
				144	**77,900**
2013	FILMART (3.18-21)	Booth and equipment rental	710	17	6,435
	MIPTV (4.8-11)	Booth and equipment rental, decoration	4,269	26	16,758
	STVF (6.10-14)	Booth, equipment rental, networking party	300	14	11,821
	TTF (9.25-27)	Booth and equipment rental	93	9	2,886

	MIPCOM (10.7-10)	Booth and equipment rental, decoration	4,987	24	5,189
	TIFFCOM (10.22-24)	Booth, equipment rental, networking party	316	19	28,041
	ATF (12.3-6)	Booth and equipment rental, decoration	1,179	23	8,808
	NATPE (14.1)	Booth and equipment rental	325	6	350
				138	**80,288**

ATF = Asia TV Forum, FILMART = Film and TV Market, MIPCOM = The Marché Internationale de Programmes Communications (International Market of Communications Programmes), MIPTV = Marché International des Programmes de Télévision (International Market of TV Programmes), NATPE = National Association of Television Program Executives, STVF = Shanghai International Television Festival, TIFFCOM = Tokyo International Film Festival, TTF = Taipei International TV Forum.
Source: Korea Creative Content Agency.

To help the content industry expand into the global market, the government established and strengthened business networks that consider the characteristics of emerging markets (South America, Middle East, Africa), mature markets (Asia), and strategic markets (United Kingdom, European Union). The government has also strengthened copyright protection.

To establish a healthy creative ecosystem and facilitate its use, the government aims to promote cooperation—e.g. by setting up a consortium of small, medium-sized, and large enterprises and encouraging cooperative projects among them. The copyright protection system was also established to protect literary works.

By fostering major genres to lead the content industry, such as broadcasting, video, games, films, and others, the government aims for sustainable growth and greater competitiveness. Korea also hopes to prevent polarized growth by fostering late but promising genres.

5. Malaysia

Through its Economic Transformation Programme (ETP)—introduced in 2011 to encourage a high-income economy—the government is creating comprehensive infrastructure to develop high-value content to meet unprecedented global and domestic demand for content. The objective is to put Malaysia's innovation, creativity, and entrepreneurship at the forefront of the global multimedia content supply chain and make the industry an engine of growth. As such, communications content and infrastructure have been recognised as one of Malaysia's 12 New Key Economic Areas (NKEAs). MY Creative Content, an entry point project of the NKEAs, aims to nurture domestic content creation and services and content distribution and broadcasting, ultimately to transform Malaysia into a regional hub for digital content.

The government is aggressively improving its plans and strategies to target and capture a significant share of the anticipated expansion value of the Asia-Pacific market. Under MY Creative Content, Malaysia is targeting a gross national income (GNI) of RM3 billion by 2020, and the creation of 10,422 jobs. The National Film Development Corporation Malaysia (FINAS), in collaboration with Multimedia Development Corporation (MDeC), is fully committed and dedicated to promoting creative content and application businesses.

Digital Malaysia, launched in 2012, seeks to enhance programmes under existing initiatives, including the ETP, and to introduce new initiatives to accelerate Malaysia's becoming a fully functioning and innovative digital economy by 2020. Based on three strategic thrusts, Digital Malaysia will create an ecosystem that promotes the use of ICT in all aspects of the economy to connect communities globally so they interact in real time, resulting in increased GNI, greater productivity, and improved living standards. This will result in a developed digital economy that connects and empowers government, businesses, and citizens. The deployment of Digital Malaysia 354 Roadmap (DM354 Roadmap) will accelerate Malaysia's shift into the digital economy. The '354' represents three ICT focus areas (access, adoption, use), five subsectors (of which content and media are one), and four Digital Malaysia communities.

Table 4-6: Policy Framework in Malaysia's Content Industry

Category	Description
Policies and Regulatory Frameworks	● Communications and Multimedia Act 1998 ● National Creative Industry Policy 2011 ● New funding framework (government focuses on high-risk investment—development, private sector fund production, and commercialisation) ● Anti-piracy initiatives ● Co-production treaties ● Digital Malaysia 354 Roadmap
Talent	● Life-long learning as the basis for talent development ● Awareness raising targeting parents and young children ● Media-driven approach ● Creative Content Industry Guild (industry-led talent coordination)
Incentives	● Film in Malaysia: 30 percent production incentives for foreign and local projects that meet the basic criteria (managed by FINAS) ● MSC Malaysia Status (managed by MDeC) ● Iskandar Development Region Incentive (managed by the Iskandar Regional Development Authority) ● Grant programmes: MAC3 Fund, BCi2, ICON etc. ● Equity/debt investments/loans: MyCreative Fund, MAVCAP etc.
Markets	● Government industry development agencies (marketing function included) ➢ MDeC ➢ FINAS ● Creative Content Association of Malaysia (industry-led marketing association)

BCi2 = Bumiputera Content Industry Initiative Fund, FINAS = National Film Development Corporation, ICON = Integrated Content Development, MAC3 = Malaysia Animation and Creative Content Centre, MDeC = Multimedia Development Corporation, MAVCAP = Malaysia Venture Capital Management Berhad.
Source: Multimedia Development Corporation (MDeC), Malaysia.

6. Philippines

The government does not have one overarching body but rather multiple bodies covering each sector of the content industry: game development, animation, music, film, and broadcasting. The Creative Economics Council of the Philippines (CECP) is mandated to oversee collaboration among related industry bodies. It deals mainly with publishing and print media, design, creative services, new media, and audiovisual products (film, TV). The Department of Trade and Industry, Department of Science and Technology, and ICT Office are major counterpart government organisations collaborating with CECP. It also supports entrepreneurship by helping talented people in the animation and the game industry start their own businesses.

The government is exploring ways to support content imports and exports. The Department of Trade and Industry recognises the potential of game development and the animation industry and is helping the Game Development Animation Industry of the Philippines (GDAP) become more coherent and organised. In May 2014, a delegation of 20 game companies from Japan met GDAP members in the Philippines for business matching and a trade fair. GDAP will also be joining Gamescom in Germany.

The visual and performing art sectors have had some form of government support. However, due to restrictions on foreign investment, the media industry has yet to show noticeable progress in fully opening the market. The National Economic and Development Authority has stated that deregulation is necessary and foreign investment essential for the industry to develop. The challenge is to stimulate the further growth of the domestic market through the steady growth of the animation and game industries as driven by outsourcing demand.

7. Singapore

The Singapore media sector comprises seven sub-sectors: Broadcasting, Film and Video (including Animation), Publishing, Printing, Music, Online Media, Games and Software. The Media Development Authority (MDA) was formed in 2003 to promote and regulate the media industries by championing the development of a vibrant media sector and nurturing home-grown media enterprises to foster a cohesive and inclusive society.

Singapore targets a strategic goal of S$8.0 billion value added, and 60,000 jobs under its Singapore Media Fusion Plan (June 2009).

As of 2012, the media sector had contributed S$8.4 billion in nominal value added and S$31.4 billion in operating receipts to the economy, an increase of 5.7 percent from 2011. In talent development, film director Anthony Chen, a scholar sponsored under MDA's Media Education Scholarship, was the first Singaporean to win the Camera d'Or award at the Cannes Film Festival and four Golden Horse awards in 2013 for his film *Ilo-ilo*. Another scholar, Lim Ting Li, won the Verna Fields Award in Sound Editing at the 61st Motion Picture Sound Editors Golden Reel Awards, which honours the finest sound and music editing in motion pictures and television in various categories. In the television sector, MDA collaborated with the Singapore-based Infinite Studios to facilitate the production of *Serangoon Road,* HBO Asia's first original series. MDA is committed to ensuring that the industry continues to thrive in a fast-changing landscape.

The Ministry of Communications and Information (MCI) created the Public Service Contestable Fund Scheme (PCFS) in July 2012 to promote competition and creativity in the provision of PSB content. Through PCFS, the production community was encouraged to offer fresh and innovative concepts to better engage with the audience, especially in view of growing audience fragmentation in the current media environment.

In March 2014, MCI announced the formation of the Infocomm Media Masterplan Steering Committee, which includes representatives from the private and public sectors. The 14-member committee will holistically study the ICT and media sectors to produce the Infocomm Media Masterplan report, envisioned to chart the direction for Singapore's ICT and media sectors until 2025. The committee will examine how ICT and media can transform the way people work and live, identify key development areas, including major areas of focus and challenges, and recommend ways to improve ICT and media sectors.

Table 4-7: PSB Contestable Funds Scheme

Category	Description
Objectives	• Extend the reach of PSB content to multiple media platforms • Raise the quality of PSB content via contestability • Encourage innovation in PSB content creation
Type of Funding	• Grant scheme
Type of Platform Funded	• Extend the reach of PSB programmes to multiple broadcast platforms, FTA (free-to-air) TV, pay TV and online platforms • Content producers will have more opportunities to create innovative PSB programmes for different commissioning broadcasters, which can be offered on multiple platforms (e.g. TV drama with spin-off episodes on the Internet or radio).
Fund	• All programmes funded by PSB Contestable Funds Scheme will be made available to the public on a free-to-access platform.

PSB = Public Broadcasting Service.
Source: Media Development Authority of Singapore (MDA).

To promote content media, MDA simplified, in 2011, 46 schemes into 5 main grant schemes and adopted a holistic approach to support the needs of the media industry from developing ideas to producing content, to gaining access to international markets, and developing talent. There is a scheme to help the project, individuals, and company to achieve the objectives. The five areas targeted are development, production, marketing, talent, and enterprise.

Table 4-8: Media Development Authority's Grant Scheme

Area of Assistance	Description
Development	Good ideas and stories are important as a first step to any strong media product or offering. Development assistance supports all media sectors and provides grant to develop the ideas into media content (script, game design, manuscript, or storyboard).
Production	MDA will support up to 40 percent of the project's total Singapore Spend. To encourage a sustained pipeline of projects, a further grant of up to 10 percent of the Singapore Spend of the current project can be used for the next project. It is open to Singapore-registered company.
Marketing	To help industry promote and monetise its capabilities, capacity, and Singapore-produced content
Talent	To help media professionals, whether employees or freelancers, to upgrade, upskill, and secure work attachment opportunities
Enterprise	To groom high-potential local media enterprises to progress to specified higher tiers of revenue and profitability

Source: Media Development Authority of Singapore (MDA).

MDA also focuses on infrastructure development, such as integrating the Mediapolis@One-north, a major media hub district. The 19-hectare Mediapolis is jointly developed and marketed by MDA, JTC Corporation, the Singapore Economic Development Board, and Infocomm Development Authority of Singapore. It will house media-related companies, bring together creative and skilled talents in a conducive environment, and feature state-of-the-art facilities and infrastructure. Mediapolis will support a media ecosystem where content, services, and applications can be developed, produced, financed, distributed, and traded locally and internationally.

One of the pioneers at Mediapolis is Infinite Studios, a fully integrated media entertainment and creative service company. It features Singapore's largest purpose-built soundstages, designed in consultation with a Hollywood-based soundstage operator. The soundstages are complemented by supporting production offices and dressing and equipment rooms, and equipped to support productions that require intricate sets, multi-camera operations, and green-screen technology for visual effects. The soundstages have hosted the popular Australia Kids television show Hi-5, television commercials, reality shows, and two international feature films.

8. Thailand

The government has announced a policy to develop a more value-added economy and, under the 'Creative Thailand' policy, increase the share of the creative economy value from 1.2 percent to 2.0 percent of the country's GDP by the end of 2012. Thailand's human resources have the basic skills, social capital, and cultural background that can be used as a base for creating digital content.

In 2010, of the TB17.6 billion budget to boost the creative industry, TB200.0 million was allocated to develop the country as a production base for digital content. Thailand's ICT Master Plan, 2009–2013 aimed for a digital content industry valued at TB165 billion by 2013.

The government also launched the Thailand Country Strategy in March 2014 to facilitate sustainable economic development and environment-friendly growth of the content industry.

In response, the Ministry of Information and Communication Technology (MICT) and the Software Industry Promotion Agency (SIPA) carried out 'Smart Thailand 2020', a strategy aligned with the National Broadband Policy and the ICT Policy for 2011–2020. The strategy hopes to improve quality of life, education, business and industry, energy and environment, entrepreneurship, and the creative industry by 2020. The strategy prioritises developing ICT and human resources.

Under the National Broadband Policy, MICT emphasises expanding the broadband network to strengthen distribution of digital content and provision of online service. As a result, access to high-speed Internet network increased from 12 percent in 2011 to more than 40 percent in 2013. By 2015, access is expected to be at least 80 percent and, by 2020, at least 95 percent. Wireless network is ahead of wired network and broadening opportunities for digital content distribution, as mobile phone service becomes more affordable and accessible.

MICT and related industry associations, including SIPA, also provide a channel for talented young people and entrepreneurs in creative business fields to advance not only domestically but also internationally through business matching. These policies and measures pushed the country's ranking in the Networked Readiness Index from 77 in 2012 to 59 in 2014. The government expects an increase in the national income resulting from the shift to an environment-friendly economy and the growth of the content industry.

Thailand is also interested in developing its film industry, and upstream industries such as games, computer graphics, advertisement, software, websites, and similar businesses. SIPA, the Ministry of Culture (MIC), and the National Federation of Thai Film Associations (NFTFA) launched Film Expo Asia 2010, a competition for short films.

Considered the first of its kind in Asia, it aimed to promote Thailand as a land of rich culture and heritage and an excellent destination for film-making and travel. This effort was designed to propel Thailand to the forefront of the Asian film industry and capture a larger market share of the world's digital content industry. Similarly, the Bangkok International Digital Content Festival and the Bangkok Comic Con were held in 2014 to promote the content industry.

In 2012, MIC and NFTFA announced that the film, animation, game, and karaoke industries earned TB77 billion in 2011.

Thailand's television and film industry is mainly led by the private sector. Although the government oversees the industry's development, basic infrastructure, and policy framework, its support fund is limited. The government, however, is exploring incentive schemes and new participation for creative media to accelerate economic development and strengthen the industry's international competitiveness. The government expects regional content distribution to lead to the industry's development and help create ripple effects in areas such as tourism.

The National Film and Video Commission, established by the Film and Video Act BE 2551, has approved a strategy for 2012–2016 to do the following:

1) Develop the ability to promote the industry.
2) Adjust the industrial management structure of the industry.
3) Promote and develop industry personnel.
4) Aggressively develop the domestic and international markets for Thai films and video.
5) Promote Thailand as a zone free of copyright infringement.
6) Build appropriate value in consuming film and video.
7) Promote foreign film production in the country.
8) Promote cooperation with other countries in investing in Thailand's industry
9) Build a mechanism (e.g. a subcommittee) that encourages the private sector to

cooperate with the government on a series of working plans. Key agencies and supporting agencies can drive such a mechanism (Table 4-9).

Table 4-9: List of Agencies

Sector	Organisation
Key Agencies	
Government	- National Commission for Film and Video - Ministry of Culture - Ministry of Tourism and Sports - Ministry of Information Communication and Technology - Ministry of Commerce
Private	- National Federation of Thai Film Associations - Thailand Animation and Computer Graphics Association - Thai Electronic Amusement Business Association - Game and Entertainment Digital Media Association
Supporting Agencies	
Government	- Office of the Prime Minister - Ministry of Finance - Ministry of Foreign Affairs - Ministry of Interior - Ministry of Education - Ministry of Natural Resources and Environment - Ministry of Labour - Ministry of Social Development and Human Security - Ministry of Industry - Department of Customs - Department of Special Investigation - Office of the Attorney-General - The Royal Thai Police - Consumer Protection Commission Office - Investment Promotion Commission Office - Software Industry Promotion Agency - Software Park Thailand - National Electronics and Computer Technology Center
Private	- Associations and entrepreneurs concerned with film and video

Source: Sirisak Koshpasharin

9. Trends in Policy Planning and Implementation

9.1. Summary of policies in member countries

Although each member country has introduced and implemented various policies, a certain level of tendency can be observed in accordance with each country's development stage. For example, economically emerging countries such as China, Indonesia, and Thailand have set goals and objectives to define and position the content and creative industry as a strategic sector, and have implemented policies to foster the domestic industry's growth. These policies are expected to create a more market-driven, rather than a government-led, industry through investment in capital and human resources. Malaysia and Singapore have been focusing on strengthening the industry's competitiveness to enhance the ecosystem and to add higher value to the economy. Countries that have relatively mature content industries, such as Korea and Japan, seek further growth by entering overseas markets, fostering innovation, and encouraging the content industry to play a leading role in economic growth.

Other regions' policies give additional insights. For example, policies in the United States, which has the largest content and creative market in the world, have been primarily focused on anti-piracy measures and content ratings rather than domestic industry development or global marketing. The European Union, through its 'i2010' framework, addresses the challenges posed by digital convergence to create a single information space and market within the region, revitalising the creation and distribution of European-made content. France exerts efforts to foster the domestic industry, especially the audiovisual sector (e.g. films), and established 'Digital France 2012', a holistic strategy to enhance its digital economy. The United Kingdom is famous for its 'Creative Britain' initiative, which has transformed the content industry into one of the country's most important exporters.

These trends signify a common recognition that the content and creative industry is a potential engine of economic growth, and that policy goals and objectives comprise (1) development *of* the content industry (focus is on developing the content industry), and (2) development *by* the content industry (focus is on contributing to other industries and the overall economy). The difference is in the implementation methodology and the level of commitment of each policy, which is the equation of various factors in each country, such as strength and weakness, demand in market and industry, or the role of stakeholders (especially the government). Therefore, to develop the industry and explore opportunities for collaboration from an Association of Southeast Asian Nations (ASEAN) and Asian perspective, it is essential to understand the different preconditions of each country, and to measure each policy's performance and impact on the industry. This is the core issue of the study and is discussed in later chapters.

9.2. Comparison of policies within the classification model in member countries

Table 4-10 shows the implementing status, as of April 2014, of policies corresponding to the policy classification model explained in Chapter 3. Table 4-11 summarises the number of policies aggregated for each implementation stage. The current status of policy planning and implementation is a result of various factors, which means that having no corresponding policy or plan to implement a policy could be a result of weaker market and industry demand.

Overall, Singapore, Korea, and Japan have implemented the most number of policies. Malaysia and the Philippines, with some policies that are still work in progress, follow. Most policies in China and Thailand are still work in progress or are being planned. All the member countries have implemented (or are planning to implement) policies aiming 'to promote the content industry and market development' (#1–#6).[2] Singapore and Korea have implemented the highest number of policies aiming 'to provide the basic infrastructure and promote competiveness of content business and creation' (#7–#15),[3]

[2] (1) Communicate industrial development visions and master plans and provide relevant statistics for benchmarking.
(2) Stimulate establishment of industrial clusters, promote market development that spur content demand, foster new business models.
(3) Support industry-led organisations to aggregate industrial interests and/or functions.
(4) Support building of business relationships.
(5) Establish international agreements.
(6) Promote brands and campaigns, host or support participation in international trade events and meetings.

[3] (7) Establish standards for business skills, qualification and certification frameworks for related skills and knowledge.
(8) Support education.
(9) Introduce incentive schemes to encourage investments.
(10) Establish government financing schemes to promote private financing.
(11) Establish technological standards to ensure interoperability to increase adoption and usage.
(12) Foster research and development and technological innovation, develop communication networks and media to enhance distribution and consumption of content products.
(13) Introduce and review regulatory frameworks for market entry, content quotas.

while other countries have them under consideration. The current status of policies #7–#15 is as follows:

- **Human resources.** #8 (Support education) has been covered by all member countries. ASEAN countries have a stronger focus on #7 (Establish standards for business skills, qualification and certification frameworks for related skills and knowledge) than China, Japan, and Korea.
- **Finance.** #9 (Introduce incentive schemes to encourage investments) and #10 (Establish government financing schemes to promote private financing) have been implemented by Japan, Korea, and Singapore. A work in progress or being planned in other countries.
- **Technology.** Japan and Korea focus less on #11 (Establish technological standards to ensure interoperability so as to increase adoption and usage); other countries (especially Malaysia and Singapore) focus on it more. Japan, Korea, and Singapore favour #12 (Foster research and development and technological innovation, develop communication networks and media to enhance distribution and consumption of content products).
- **Legal frameworks.** #13 (Introduce and review regulatory frameworks for market entry, content quotas), #14 (Introduce and review intellectual property rights protection and management and anti-piracy schemes), and #15 (Introduce and review content-rating framework) are implemented more by Korea, Singapore, and Thailand, followed by China, Malaysia, and the Philippines.

(14) Introduce and review intellectual property rights protection and management and anti-piracy schemes.
(15) Introduce and review content-rating framework.

Table 4-10: Status of Policies Corresponding to the Policy Classification as of April 2014

I = implemented | W = work in progress | P = planned or under planning | N = not planned

Main Objectives	Policy Area	Policy Activities	CHN	IDN	JPN	KOR	MYS	PHL	SGP	THA
To promote the content industry and market development	Industry and market development	(1) Communicate industrial development visions and master plans and provide relevant statistics for benchmarking	W	I[*1]	I	I	W	I	I	P
		(2) Stimulate establishment of industrial clusters, promote market development that spur content demand, foster new business models	W	I[*1]	I	I	I	I	I	W
	Organisational schemes, business relationships	(3) Support industry-led organisations to aggregate industrial interests and/or functions	W	I[*1]	I	I	I	I	I	W
		(4) Support building of business relationships	P	I[*1]	I	I	I	I	I	I
	International relationships	(5) Establish international agreements	W	I[*1]	I	I	W	W	I	P
		(6) Promote brands and campaigns, host or support participation in international trade events and meetings	P	I[*1]	I	I	I	I	I	I
To provide basic infrastructure and promote competitiveness of content business and creation	Human resources	(7) Establish standards for business skills, qualification and certification frameworks for related skills and knowledge	P	I[*1]	N	P	W	I	I	P
		(8) Support education	W	I[*1]	I	I	I	I	I	W
	Finance	(9) Introduce incentive schemes to encourage investments	W	I[*1]	N	I	P	P	I	P
		(10) Establish government financing schemes to promote private financing	W	I[*1]	I	I	P	P	N	P
	Technology	(11) Establish technological standards to ensure interoperability to increase adoption and usage	W	I[*1]	N	N	I	P	I	P

		(12) Foster research and development and technological innovation, develop communication networks and media to enhance distribution and consumption of content products	W	I*1	I	I	W	P	I	P
	Legal frameworks	(13) Introduce and review regulatory frameworks for market entry, content quotas	W	I*1	N	I	P	W	I	I
		(14) Introduce and review intellectual property rights protection and management and anti-piracy schemes	W	I*1	I	I	I	W	I	W
		(15) Introduce and review content-rating framework	W	I*1	N*2	I	W	W	I	I

CHN = China, IND = Indonesia, JPN = Japan, KOR = Korea, MYS = Malaysia, PHL = Philippines, SGP = Singapore, THA = Thailand
*1 = implemented at the initial stage, partially, or on a small scale; *2 = content-rating frameworks developed by actors in private sector.
Source: Member countries.

Table 4-11: Status of Policies Corresponding to the Policy Classification as of April 2014

Main Objectives	**Current Status**	**CHN**	**IDN**	**JPN**	**KOR**	**MYS**	**PHL**	**SGP**	**THA**
All policies (#1–#15)[a]	Implemented	0	15*1	10	13	7	7	14	4
	Work in progress	12	0	0	0	5	4	0	4
	Planned or under planning	3	0	0	1	3	4	0	7
	Not planned	0	0	5	1	0	0	0	0
To promote the content industry and market development (#1–#6)	Implemented	0	6*1	6	6	4	5	6	2
	Work in progress	4	0	0	0	2	1	0	2
	Planned or under planning	2	0	0	0	0	0	0	2
	Not planned	0	0	0	0	0	0	0	0
To provide the basic infrastructure and promote the competitiveness of content business and creation (#7–#15)	Implemented	0	9*1	4	7	3	2	8	2
	Work in progress	8	0	0	0	3	3	0	2
	Planned or under planning	1	0	0	1	3	4	0	5
	Not planned	0	0	5	1	0	0	0	0

CHN = China, IND = Indonesia, JPN = Japan, KOR = Korea, MYS = Malaysia, PHL = Philippines, SGP = Singapore, THA = Thailand
*1 = Implemented at the initial stage, partially, or on a small scale.
Source: Member countries.

CHAPTER 5

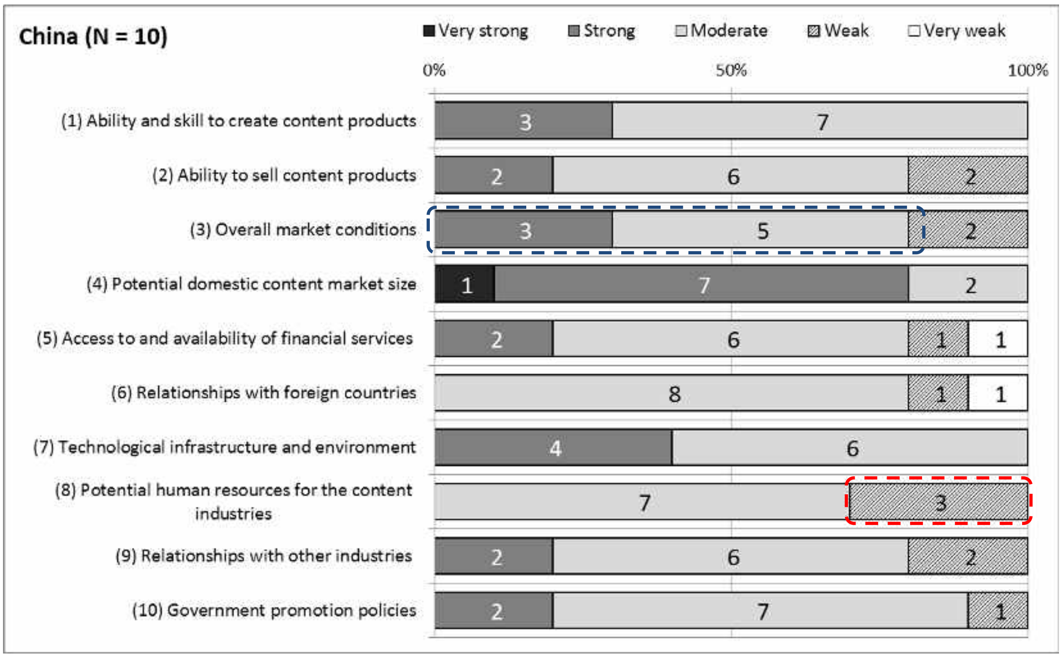
Policy Evaluation: China

1. Strength/Weakness, Opportunity/Threat (SWOT) Analysis

1.1. Strengths and weaknesses: survey results

Figure 5-1 shows strengths and weaknesses, and Figure 5-2, strengths and weaknesses by respondent category. The results indicate that the majority of respondents, especially companies, recognise 'potential domestic content market size' as the industry's strength.[1] Possessing a large domestic market that provides economies of scale and nurtures industry development is seen as leveraging market growth.

Figure 5-1: Strength and Weakness



Source: Evaluation Survey of Content Industry Promotion Policies.

Although no element has the majority of votes, 'potential human resources for the content industry' seems to be the weakest and is strongly recognised as such by company respondents. Given the labour-intensive nature of the content industry, improving this

[1] The size and growth of China's domestic content industry market is explained in Chapter 2.

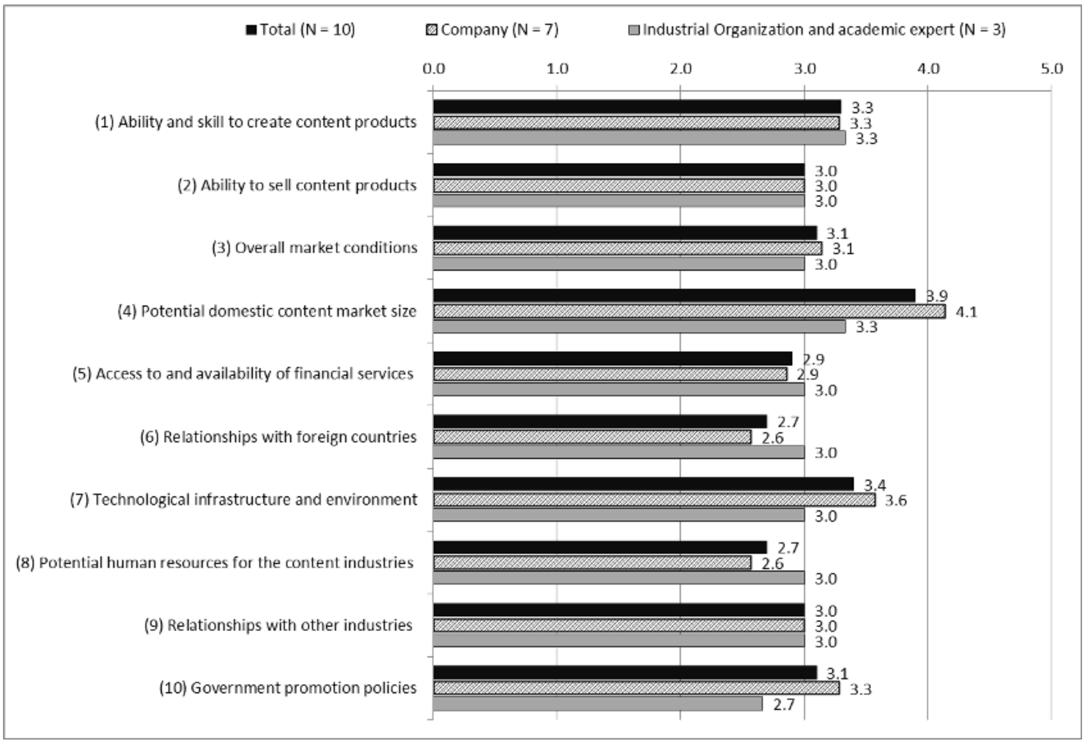
element would enable China to make the best of its potential domestic market and further develop its content industry.

1.2. Current and future challenges

Figure 5-3 shows the results for current challenges facing the content industry. The most recognised issues are 'spread of pirated content' and 'insufficient use of new technologies'. The rising awareness of piracy shows that more people in China are becoming content creators as well as users, and recognise that allowing content creators and content providers to make a profit bodes well for the content industry's development.

The majority of responses were for increased operation cost, which is mainly due to increased labour cost brought about by economic development and considered to impact the region's outsourcing structure.

Figure 5-2: Strength and Weakness Score: Respondent Comparison[2]



Source: Evaluation Survey of Content Industry Promotion Policies.

[2] The responses were converted into weighted average scores for comparison.

Figure 5-3: Current Challenges

Source: Evaluation Survey of Content Industry Promotion Policies.

China used to be a destination for outsourced jobs, but these are shifting to countries in the region with lower labour costs. Table 5-1 shows that company respondents point out the challenges of adapting to new media and platforms, and the need to promote or provide the environment to stimulate innovation in the content industry. These elements are essential to the sustainability of the content business.

Table 5-1: Free Descriptive Answers Regarding Current and Future Challenges

Category	Comment
Company	● Creation of new media content, better integration of big data, more suitable content for new-media communication platforms and new-media audiences [1,2,3,5/2,3,4] ● 1. Continuous innovation 2. Innovation protection mechanisms [1,2,3/1,2,3,4,5,6] ● Lack of a way to precisely meet the needs of different markets and audiences [1/1,3,4,5,6] ● Adapt to new business models and technologies [1/1,3,4,5]
Industrial Organisation, Academic Expert	● Lack of professionals and application platforms [1/1] ● Availability of Hollywood blockbusters via new media and the Internet [academia/3,4,5] ● Lack of enabling environment for content innovation [1/1]

Note: Numbers after each comment describe the sector and operation the respondent is engaged in.
[1 = TV programme, 2 = film, 3 = animation, 4 = games, 5 = music, '-' = no response /
1 = production, 2 = post-production, 3 = broadcasting, 4 = distribution, 5 = sales, 6 = purchase/aggregation, 7 = manufacturing, '-' = no response]
Source: Evaluation Survey of Content Industry Promotion Policies.

1.3. Strength/Weakness, Opportunity/Threat (SWOT) Analysis: Update of the FY2012 Report

The update of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report) (Table 5-2) takes into account the survey results and recent market trends (Chapter 2) and policies (Chapter 4).

Its domestic market size and growth are a huge advantage for China. Growth brings with it greater production capability to supply domestic content, although China still faces potential human resource issues such as increasing cost of labour.

The government has been supporting the content industry, and content companies are enjoying the benefits of supplying the huge and fast-growing domestic market. Such government policies are expected to contribute to human resource development.

In spite of current anti-piracy measures, piracy remains a critical issue.

Table 5-2: SWOT Analysis—China

Internal	
Strengths ● Large domestic content market ● Technological infrastructure and environment ● Ability and skill to create content ● Increasing capability to supply content due to increasing demand in the large domestic market ● Aggressive promotion activities in international trade exhibitions and markets	**Weaknesses** ● Spread of pirated content ● Potential human resources for the content industry ● Relationships with foreign countries ● Limited access to and availability of financial services ● Growing operation and production costs (and, eventually, rise in content prices) ● Limited experience in sales promotion abroad
Opportunities ● Domestic population, gross domestic product (GDP) scale, and economic growth rate ● Moderate penetration of the Internet and fixed broadband ● Chinese companies starting operations overseas ● Implementation of new media and platforms. Diffusion of services such as Baidu, Sina Weibo, etc.	**Threats** ● Ethnic and language barriers (especially for actors) ● Regulations related to importing programmes
External	

SWOT = strength/weakness, opportunity/threat.
Source: Authors.

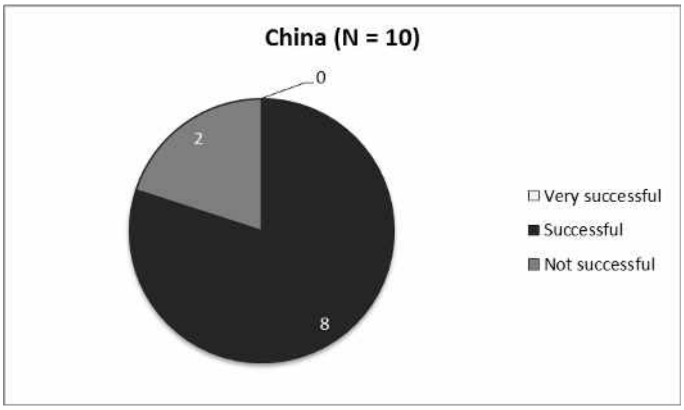
2. Policy Evaluation

2.1. Overall evaluation

Figure 5-4 shows the survey results for the overall assessment of related policies. Eight out of ten respondents (80 percent) indicate a positive response ('very successful' and 'successful').

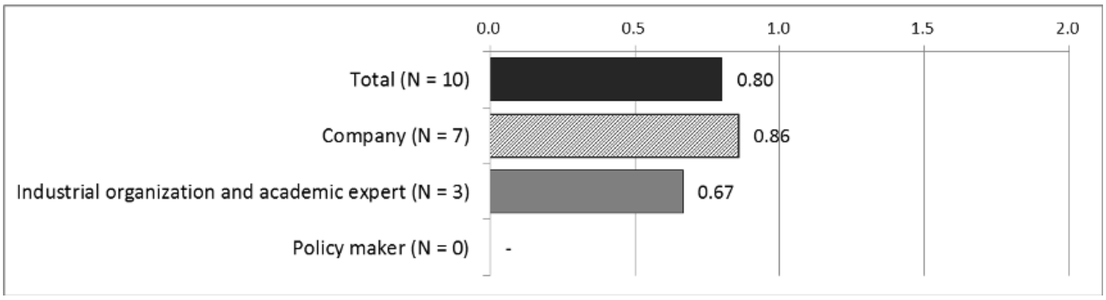
Figure 5-5 shows the score for each respondent category, indicating the gap between stakeholders.

Figure 5-4: Overall Assessment of Content Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 5-5: Overall Assessment of Content Policies—Score per Respondent Category



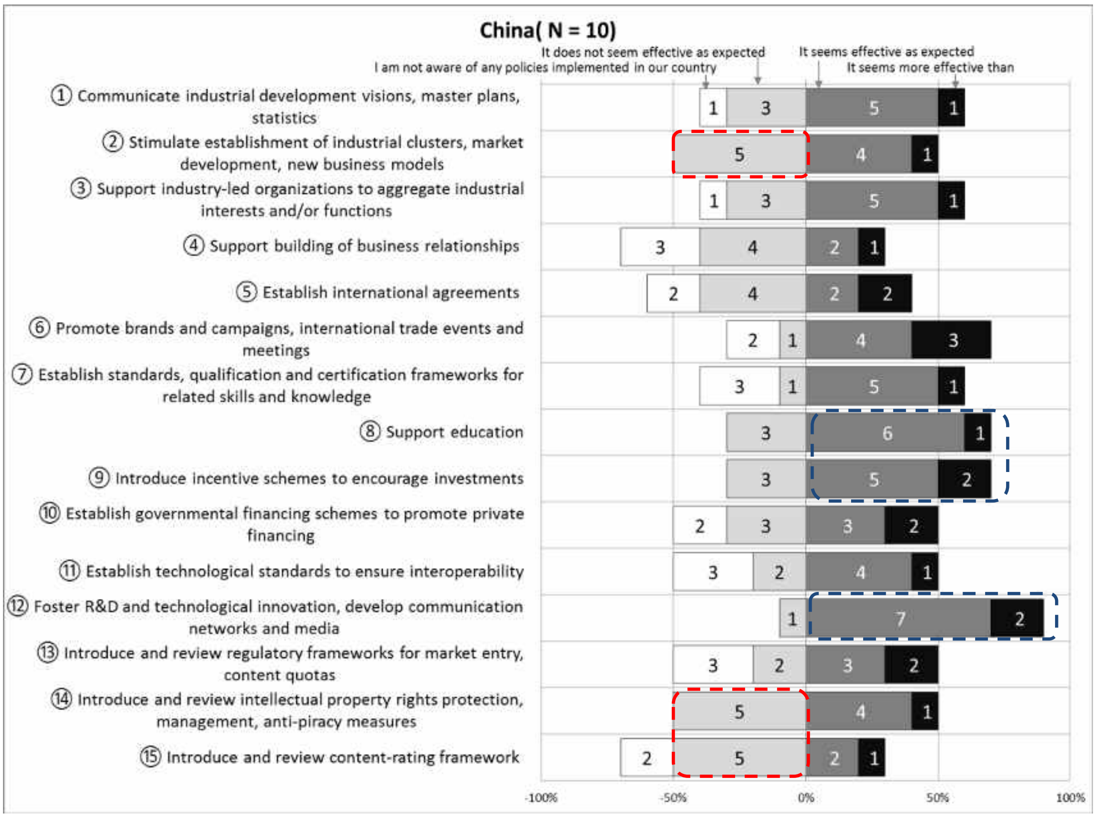
Note: Figures indicate weighted average of number of respondents and weight (very successful = 2, successful = 1, not successful = 0).
Source: Evaluation Survey of Content Industry Promotion Policies.

2.2. Effectiveness of Current Policies

Figure 5-6 shows the survey results on implementation awareness and policy effectiveness. The results indicate the respondents' awareness of how the policies meet their expectations. The majority support seven policies—#1, #3, #6, #7, #8, #9, #12.

The most number of negative votes go to #2 (Stimulate establishment of industrial clusters, market development, new business models), #14 (Introduce and review intellectual property rights protection and management and anti-piracy measures), and #15 (Introduce and review content-rating framework).

Figure 5-6: Policy Effectiveness



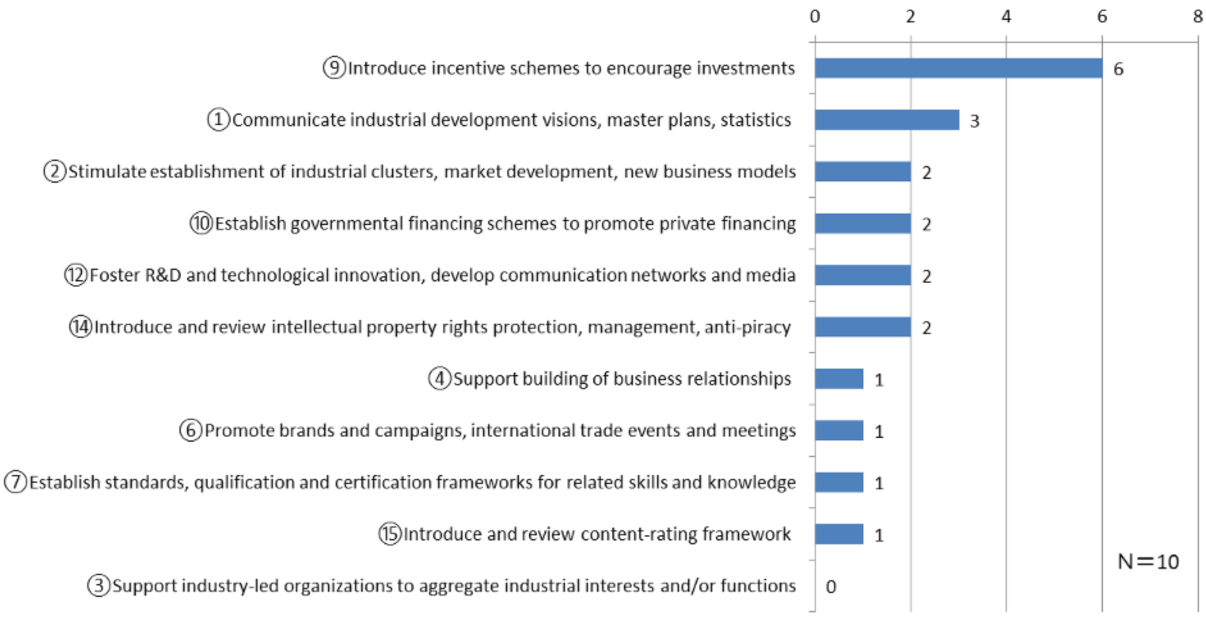
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 5-7 shows, in descending order, the policies considered to be highly effective. Policy #9 (Introduce incentive schemes to encourage investments) has the most votes. Figure 5-8 describes the effects and outcomes that have resulted from policy #9. Most respondents have enjoyed increased revenue, business opportunities, networks, and investments.

2.3. Key success factor

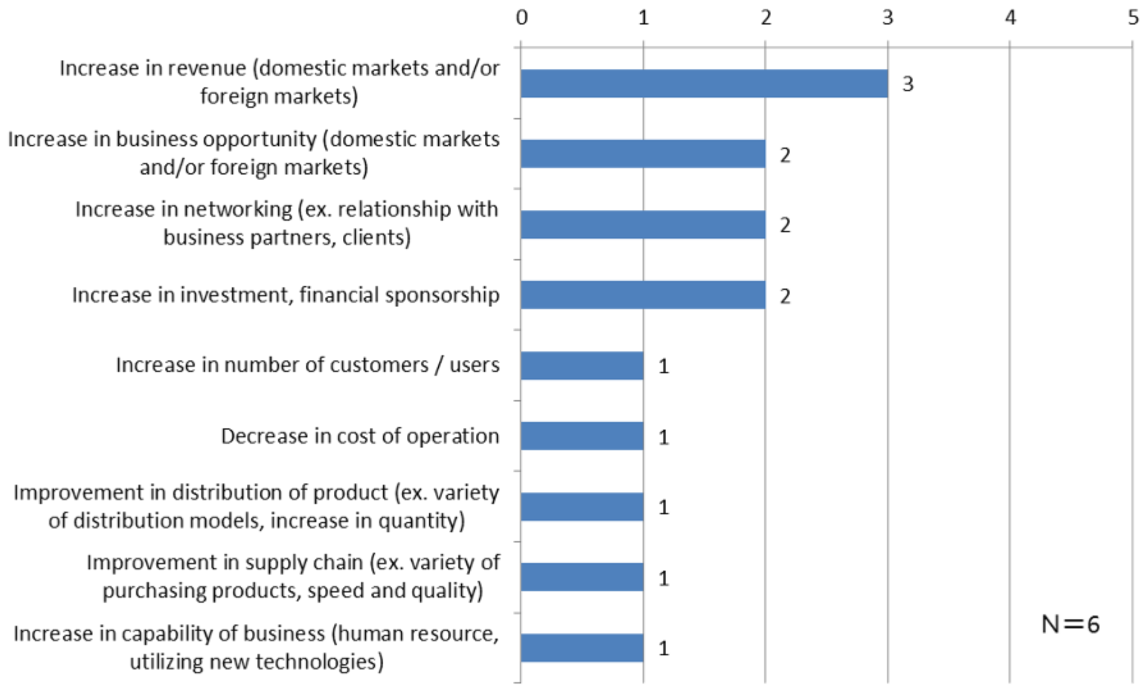
Figure 5-9 shows what respondents consider an important element (key success factor) for maximising the effectiveness of policy #9 (Introduce incentive schemes to encourage investments), which is regarded as the most successful.

Figure 5-7: Policies Regarded as Effective



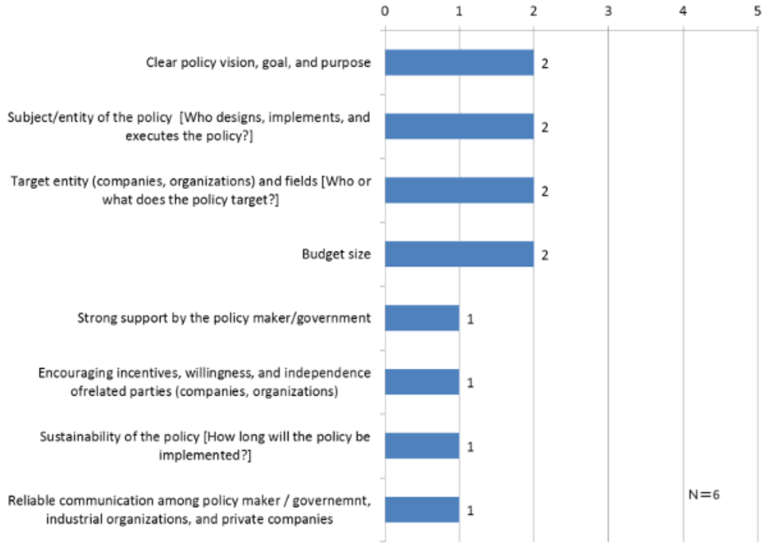
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 5-8: Effects and Outcomes as a Result of Policy #9 (Introduce incentive schemes to encourage investments)



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 5-9: Key Success Factor of Policy #9
(Introduce incentive schemes to encourage investments)

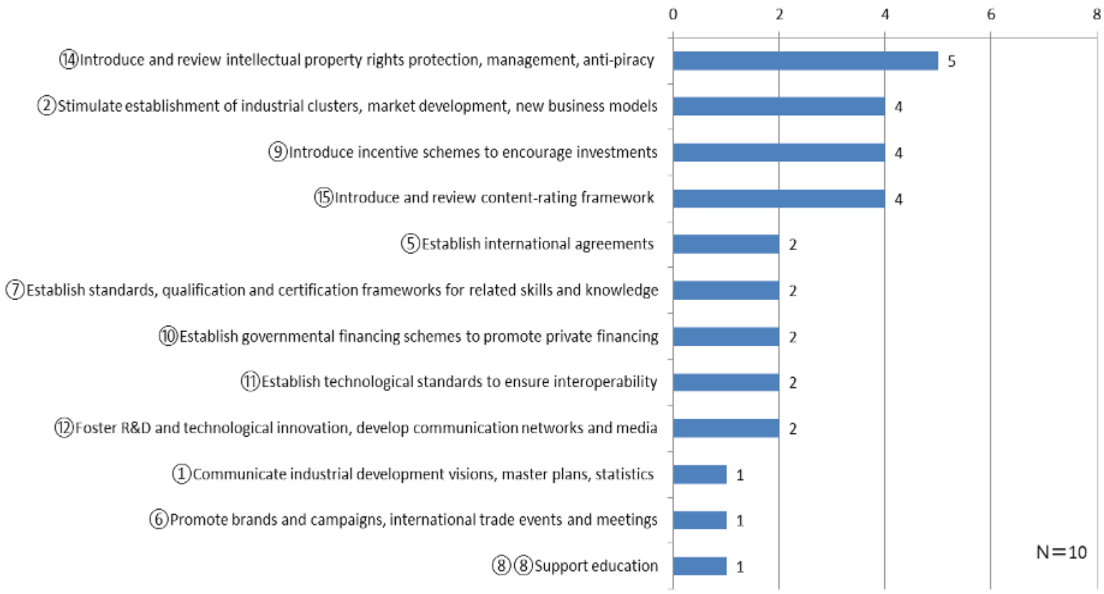


Source: Evaluation Survey of Content Industry Promotion Policies.

2.4. Challenges

Figure 5-10 shows the policies considered to face challenges. Policy #14 (Protect intellectual property) has the most votes. Figure 5-11 shows the difficulties and constraints of policy #14, which many respondents think is lack of strong leadership of policymakers and governments, and the policy’s sustainability.

Figure 5-10: Policies Needing Improvement



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 5-11: Difficulties and Constraints of Policy #14

(Protect intellectual property)

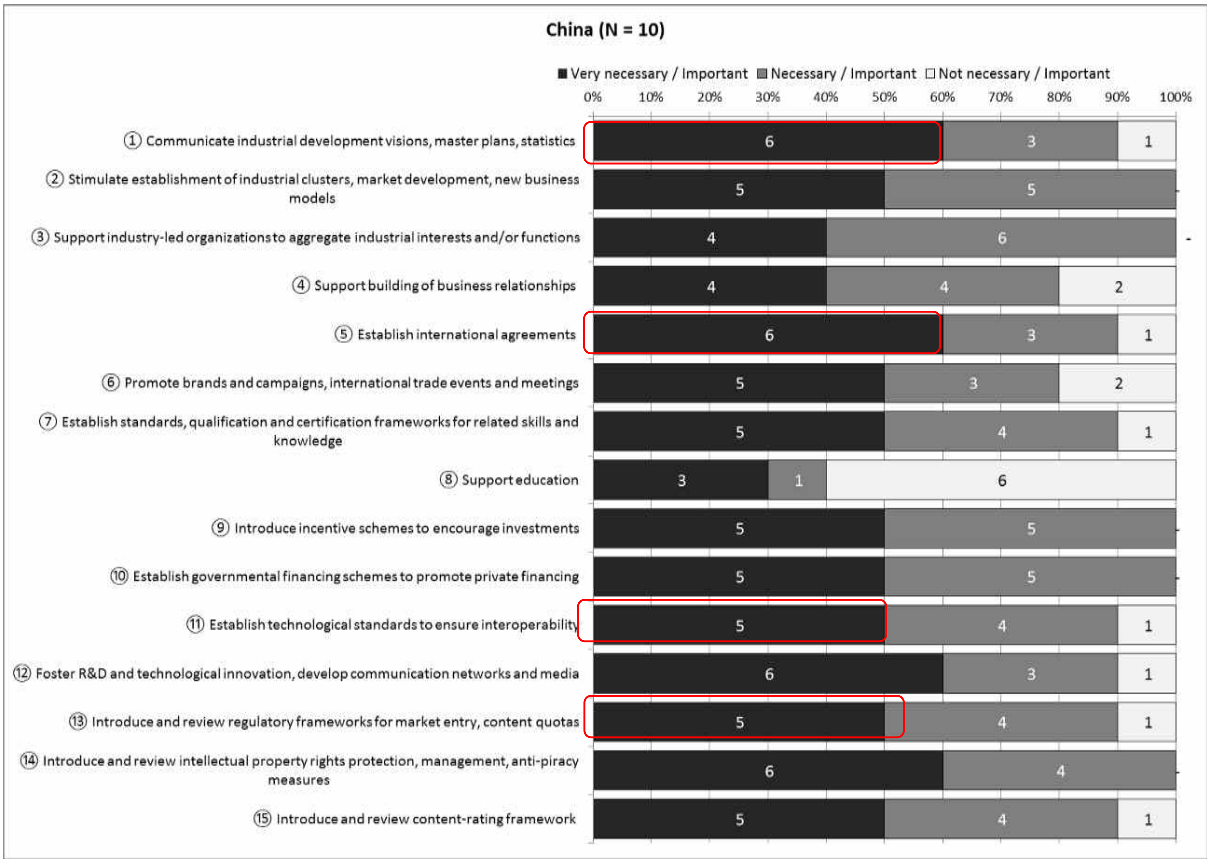
Source: Evaluation Survey of Content Industry Promotion Policies.

2.5. Necessity of current policies, and expectations

Figure 5-12 shows the survey results on necessity of policy. Considered the most necessary are #1 (Communicate industrial development visions, master plans, statistics), #5 (Establish international agreements), #12 (Foster research and development and technological innovation, develop communication networks and media), and #14 (Introduce and review intellectual property rights protection and management and anti-piracy measures).

Figure 5-13 shows the respondents' expectations of policies, irrespective of current implementation. The highest expectation is increased revenue and fairer competition.

Figure 5-12: Necessity of Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 5-13: Expectations of Implemented Policies

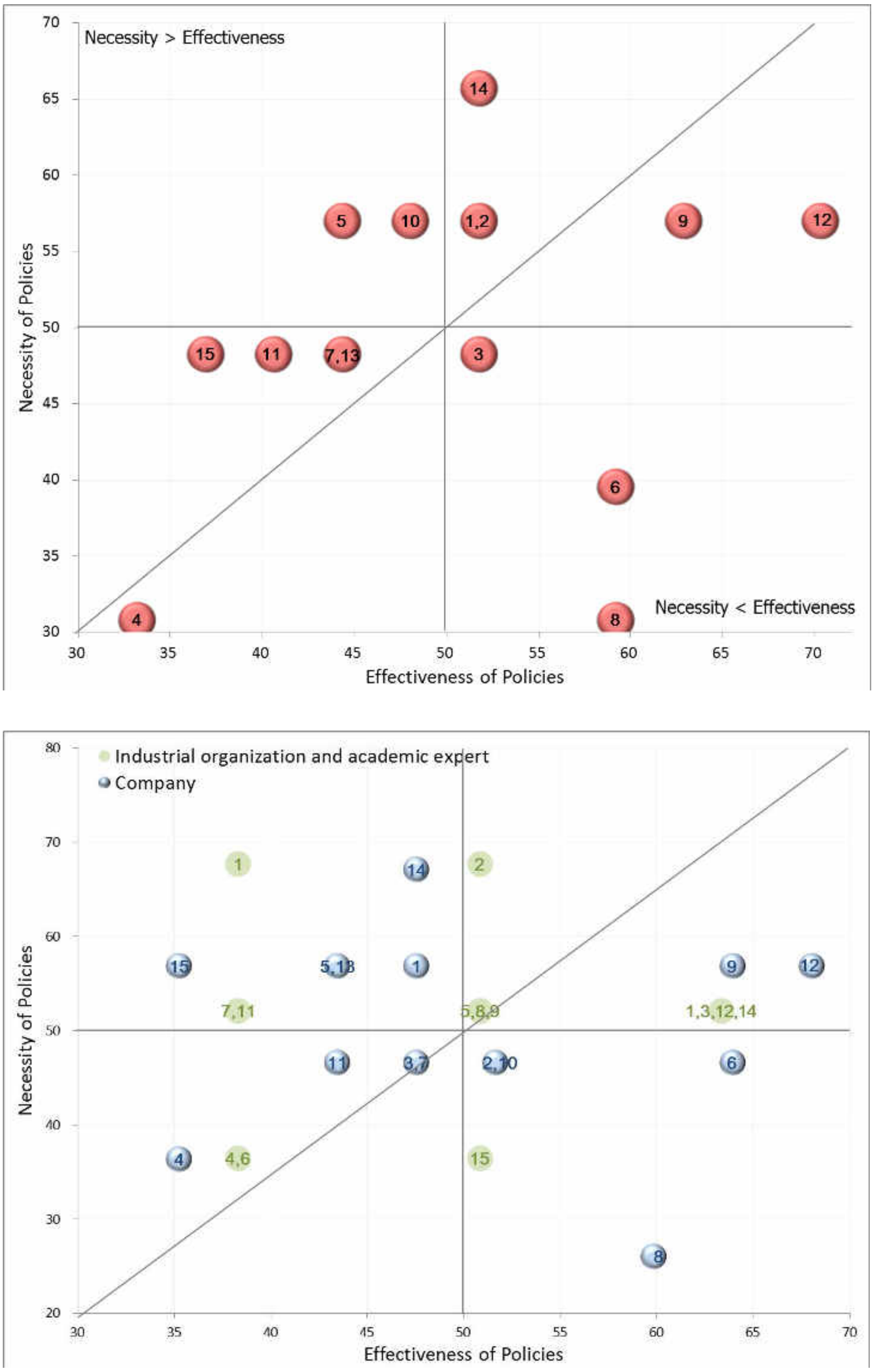
Source: Evaluation Survey of Content Industry Promotion Policies.

2.6. Policy prioritisation

Figure 5-14 maps the effectiveness and necessity of each policy. The figures are converted into deviation values to relatively map the results. Each plot describes the policy activity. There is demand for policies #5 (Establish international agreements) and #10 (Establish government financing schemes to promote private financing), but their effectiveness is not as apparent as expected. Evaluations of all the policies, especially #15 (Introduce and review content-rating frameworks), vary among respondents.

Table 5-3 describes the overall analysis results. It provides the performance indicator for each policy activity, describing the priority level, or the relative distance between necessity and effectiveness (see Chapter 1 for a more detailed explanation of a performance indicator). The table also provides the coefficient of variation, a normalised measure of dispersion, which describes the variance among respondent categories. Although #14 (Introduce and review intellectual property rights protection, management, anti-piracy measures) has higher-than-average effectiveness, it has the lowest performance indicator. This means that necessity is much higher than effectiveness and improvement is, therefore, expected.

Figure 5-14 : Effectiveness vs. Necessity of Policies
(above: average, below: by category)



Source: Evaluation Survey of Content Industry Promotion Policies.

Table 5-3: Analysis Results of Policy Evaluation

Policy Area	Policy Activities	Performance	CV Effectiveness, %	CV Necessity, %
Industry and Market Development	1. Communicate industrial development visions, master plans, statistics	-3.7	14	4
	2. Stimulate establishment of industrial clusters, market development, new business models	-3.7	1	18
Organisational Schemes, Business Relationships	3. Support industry-led organisations in aggregating industrial interests and/or functions	2.5	14	6
	4. Support building of business relationships	1.7	4	0
International Relationships	5. Establish international agreements	-9.0	8	4
	6. Promote brands and campaigns, international trade events, and meetings	13.9	25	12
Human Resources	7. Establish standards, qualification and certification frameworks for related skills and knowledge	-2.8	11	6
	8. Support education	20.0	8	33
Finance	9. Introduce incentive schemes to encourage investments	4.2	11	4
	10. Establish government financing schemes to promote private financing	-6.3	15	18
Technology	11. Establish technological standards to ensure interoperability	-5.4	6	6
	12. Foster research and development and technological innovation, develop communication networks and media	9.4	4	4
Legal Frameworks	13. Introduce and review regulatory frameworks for market entry, content quotas	-2.8	8	22
	14. Introduce and review intellectual property rights protection, management, anti-piracy measures	-9.9	14	13
	15. Introduce and review content-rating frameworks	-8.0	18	22

CV = coefficient of variation (variation among respondent categories).

Note: 'Performance' indicates the relative distance where:

(a) Figures above zero: Effectiveness outperforms necessity/expectation

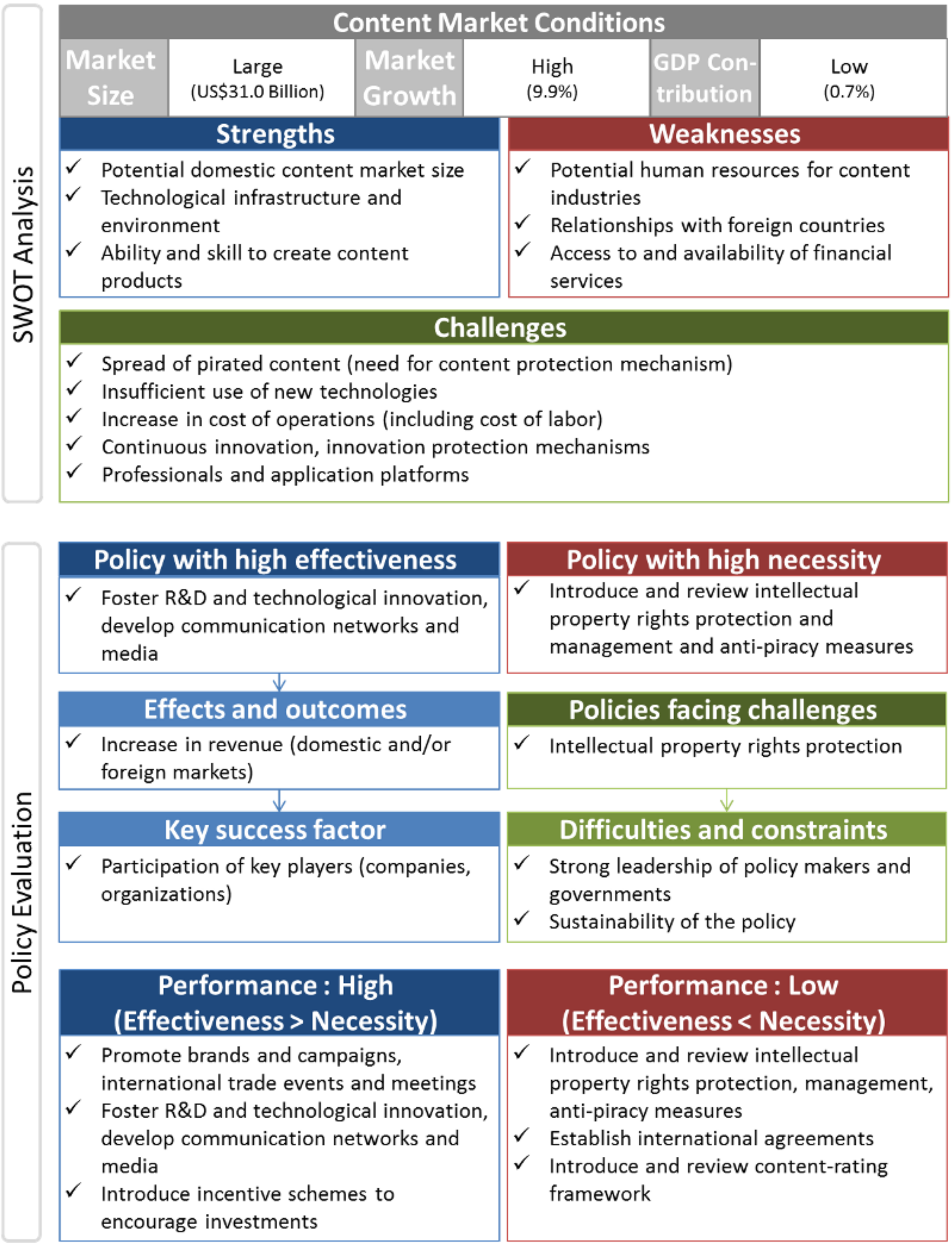
(b) Figures below zero: Effectiveness underperforms necessity/expectation

Source: Authors based on Evaluation Survey of Content Industry Promotion Policies.

3. Summary

Figure 5-15 summarises the results.

Figure 5-15: Overall Results—China



GDP = gross domestic product, R&D = research and development.

Source: Authors.

With the rapid development of its economy, China has been focusing on promoting the culture industry, defining related industries, and setting targets to increase the content industry's gross domestic product (GDP) contribution. As a result of government measures, such as promoting the integration of culture with science and technology, the industry has recognised the positive effects of fostering research and development (R&D) and technological innovation, and developing communication networks and media. This has become one of China's strengths, and related policies have been highly effective. The challenge to China is to sufficiently use technology to stimulate innovation. Policies related to international marketing and incentive schemes to encourage investments have also led to high performance.

The rapid movement and growth of China's content industry, however, have given rise to issues that now face the industry and government. A top concern is the spread of pirated content. Stakeholders in China recognise the importance of protecting intellectual property rights to further develop the content industry; anti-piracy measures have thus been implemented. Stakeholders, however, seem to expect more improvement in this area because pirated works are distributed now regardless of national borders. Solving this issue requires strong leadership of policymakers and government, a long-term perspective, and close cooperation with other countries.

China's recent efforts in overseas development and international marketing have increased demand for international agreements. Thus, China must further focus on and maximise related policies to make the best use of its potential market size and ability.

CHAPTER 6

Policy Evaluation: Indonesia

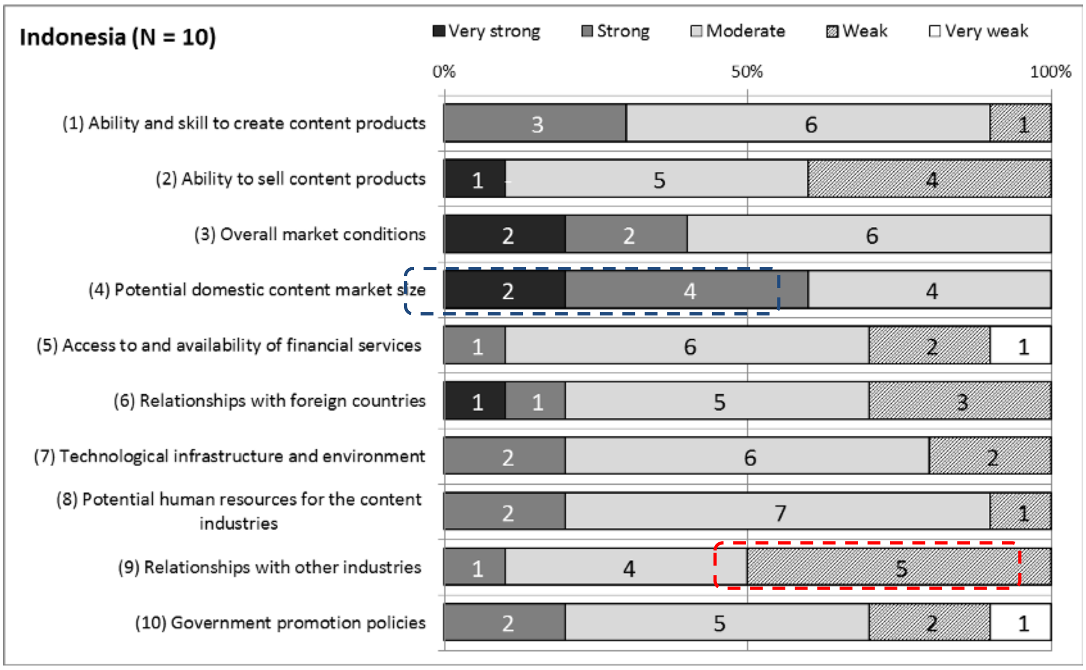
1. Strength/Weakness, Opportunity/Threat (SWOT) Analysis

1.1. Strengths and Weaknesses: Survey Results

Figure 6-1 shows strengths and weaknesses, and Figure 6-2 compares respondent categories. The majority of respondents, especially policymakers, recognise 'potential domestic content market size' as the industry's strength.[1]

No weakness received the majority of votes, but 'relationships with other industries' has the most votes for 'weak' and scored lowest among company respondents.

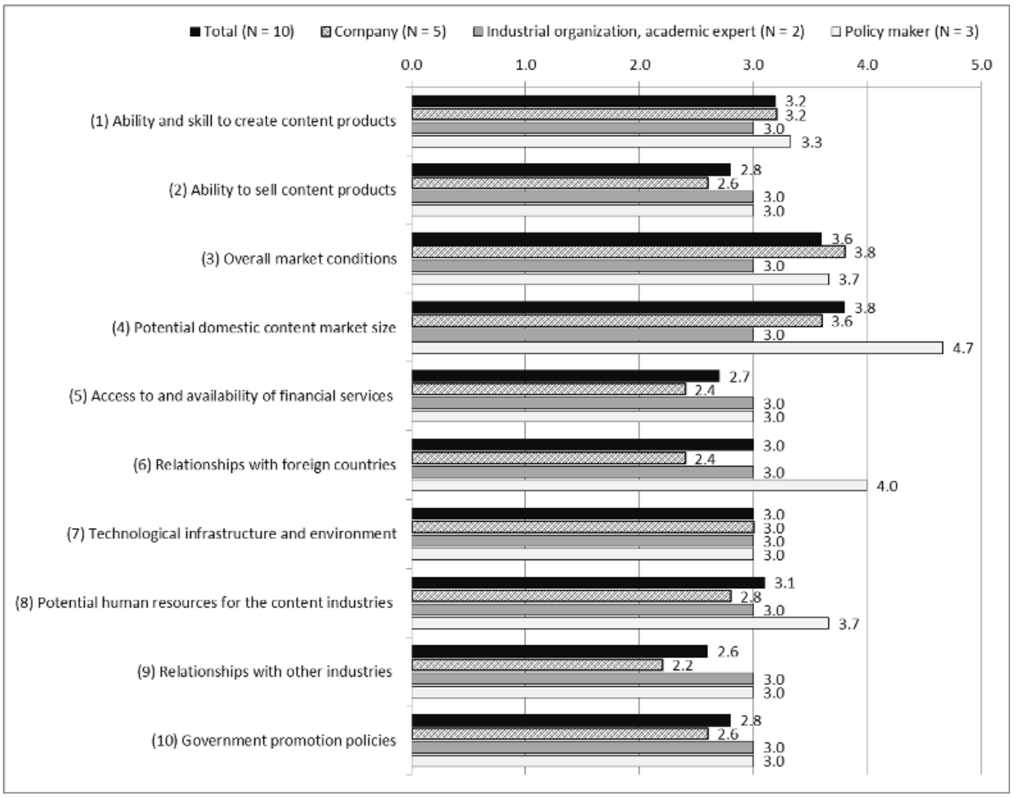
Figure 6-1: Strength and Weakness



Source: Evaluation Survey of Content Industry Promotion Policies.

[1] The size and growth of Indonesia's domestic content industry market is explained in Chapter 2.

Figure 6-2: Strength and Weakness Score: Respondent Comparison[2]



Source: Evaluation Survey of Content Industry Promotion Policies.

1.2. Current and future challenges

Figure 6-3 shows the results for current challenges facing the content industry. The votes are highest for four elements: ‘insufficient knowledge of overseas promotion, international business’; ‘lack of funds, financial support’; ‘insufficient labour force’; and ‘lack of relationships with reliable business partners’.

Company respondents point out the challenges of collaboration among countries to create content and related products for certain market segments—the first step towards accessing the global market (Table 6-1).

[2] Responses were converted into weighted average scores for comparison.

Figure 6-3: Current Challenges

Source: Evaluation Survey of Content Industry Promotion Policies.

Table 6-1: Free Descriptive Answers Regarding Current and Future Challenges

Category	Comment
Company	• Collaboration among countries to develop the content industry. For example, Japan is very proficient in technology and animation; Indonesia needs content but in accordance with its culture. Internet technology is rapidly developing in Indonesia, which has a very large market but no high-quality content tailored for the majority Muslim population. By cooperating with Japan, however, Indonesia will be able to create the content it needs. Once content is accepted in Indonesia, it will also be accepted in other Asian countries that have Muslim populations. Collaboration among countries will create high-quality content and improve their content industries' creativity and business prospects [graphic design/1]. • Lack of market information on customers, suppliers, etc. [4/1] • Widespread content piracy. A content protection mechanism is needed. [1/3]
Industrial Organisation, Academic Expert	• Insufficient education and training in areas such as 'access to markets', 'copyright protection', 'support capital', 'promoting the work of content developers' • Urgent need to develop credit card payment system for selling digital content • Lack of local character creation

Note: Numbers placed after each comment describe the sector and operation the respondent is engaged in. [1 = TV programme, 2 = film, 3 = animation, 4 = games, 5 = music, '-' = no response / 1 = production, 2 = post-production, 3 = broadcasting, 4 = distribution, 5 = sales, 6 = purchase/aggregation, 7 = manufacturing, '-' = no response]
Source: Evaluation Survey of Content Industry Promotion Policies.

1.3. Strength/Weakness, Opportunity/Threat (SWOT) Analysis: Update of the FY2012 Report

The update of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report) (Table 6-2) takes into account the survey results and recent market trends (Chapter 2) and policies (Chapter 4).

Indonesia's strengths and advantages are its large domestic market, high growth, and overall market conditions. Indonesia's ability and skill to create content products may be derived from its rich local cultures.

Indonesia's weaknesses are its lack of relationships with other countries, its insufficient knowledge of overseas promotion and international business, insufficient labour force, and lack of working capital. The content industry must therefore develop overseas markets while fostering domestic industry growth and self-sufficiency. Other challenging issues include insufficient ability to sell content products and the spread of pirated content.

Table 6-2: SWOT Analysis—Indonesia

Internal	
Strengths	**Weaknesses**
● Large market ● Ability and skill to create content ● Attractive design ● Low production costs ● Some cases of international co-production by major studios ● Rich local cultures	● Lack of working capital ● Lack of managerial skills ● Difficulty in diversifying profitability for small productions ● Relationships with other industries ● Low and unequal government financial support to the creative industry ● Ability to sell content products ● Widespread piracy
Opportunities	**Threats**
● Potential domestic content market development along with the gross domestic product growth ● Increasing subcontracting markets ● Large domestic population ● Diffusion of social network media	● Unproven career for ambitious people ● Limited support from training and education sector ● Limited government support in distribution and finance ● Still low penetration of broadband Internet network
External	

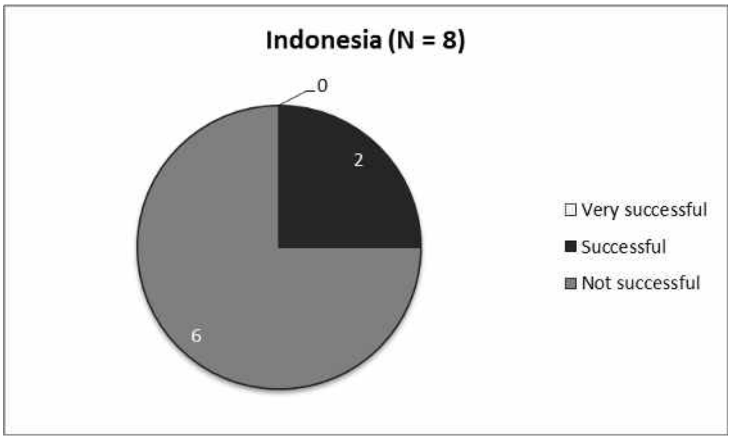
SWOT = strength/weakness, opportunity/threat.
Source: Authors.

2. 2. Policy Evaluation

2.1. Overall Evaluation

Figure 6-4 shows the survey results of the overall assessment of related policies. Six out of eight respondents (75 percent) indicate a negative response ('not successful').[3]

Figure 6-4: Overall Assessment of Content Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

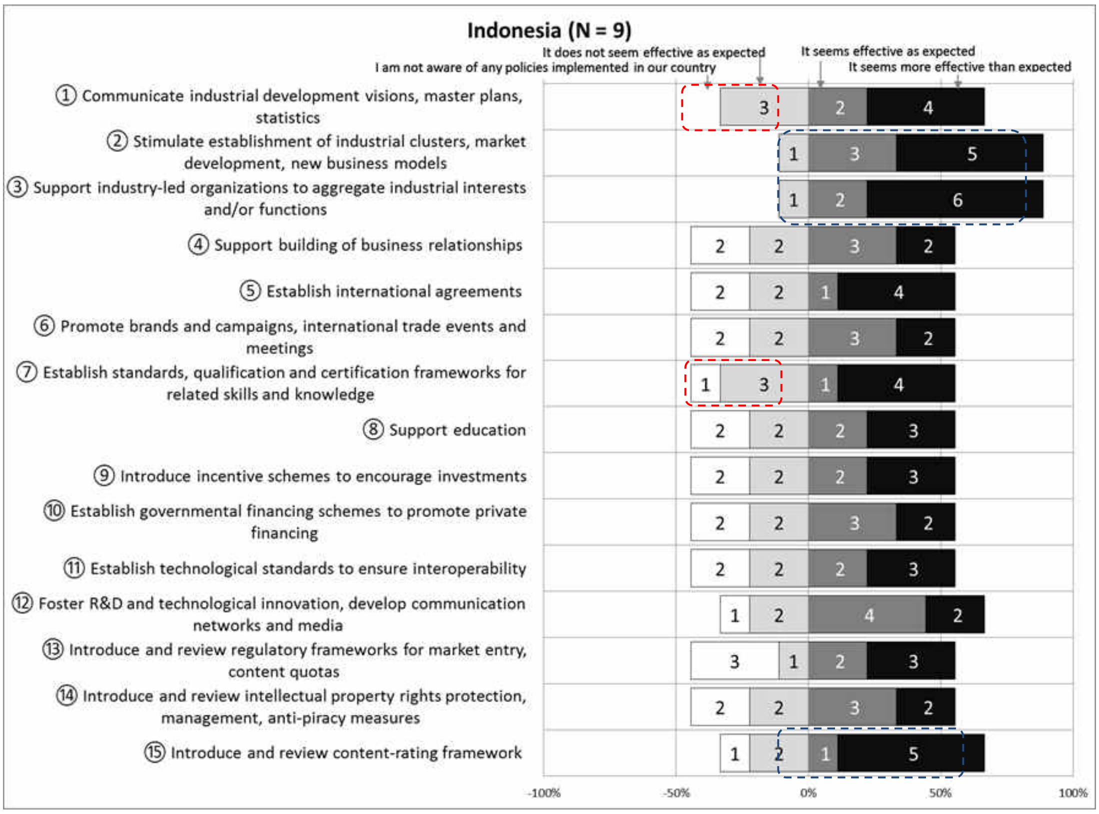
2.2. Effectiveness of Current Policies

Figure 6-5 shows the survey results on implementation awareness and policy effectiveness. The results indicate respondents' awareness of how the policies meet their expectations. The majority support five policies—#1 (Communicate industrial development visions, master plans, statistics), #2 (Stimulate establishment of industrial clusters, market development, new business models), #3 (Support industry-led organisations in aggregating industrial interests and/or functions), #12 (Foster research and development and technological innovation, develop communication networks and media), and #15 (Introduce and review content-rating frameworks).

The most number of negative votes go to #7 (Establish standards, qualification and certification framework for related skills and knowledge).

[3] The number of respondents is limited to derive scores for each respondent category as provided in other country chapters.

Figure 6-5: Policy Effectiveness

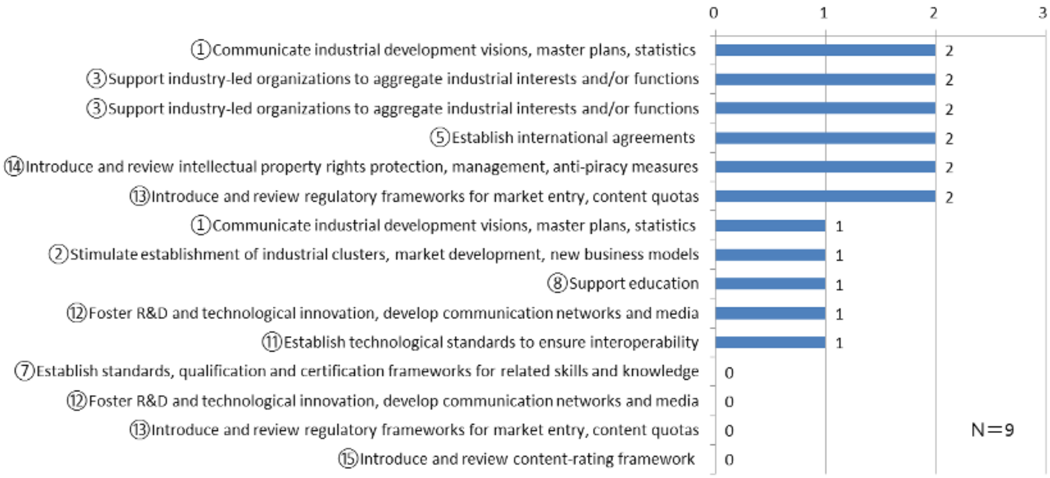


Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 6-6 shows, in descending order, the policies considered to be highly effective. Due to the limited number of samples, the votes were dispersed, particularly in two groups: two votes for #1 (Communicate industrial development visions, master plans, statistics), #3 (Support industry-led organisations in aggregating industrial interests and/or functions), #4 (Support building of business relationships), #5 (Establish international agreements), #7 (Establish standards, qualification and certification frameworks for related skills and knowledge), and #13 (Introduce and review regulatory frameworks for market entry, content quotas); and one vote for #2 (Stimulate establishment of industrial clusters, market development, new business models), #6 (Promote brands and campaigns, international trade events and meetings), #9 (Introduce incentive schemes to encourage investments), #10 (Establish government financing schemes to promote private financing), and #11 (Establish technological standards to ensure interoperability).

Figure 6-7 describes the effects and outcomes that have resulted from policy #2 (Stimulate establishment of industrial clusters, market development, new business models), which has the most votes for effectiveness (Figure 6-5).[4] Most respondents have enjoyed an increased number of customers as well as increased business and networking opportunities.

Figure 6-6: Policies Regarded as Effective



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 6-7: Effects and Outcomes as a Result of Policy #2 (Stimulate establishment of industrial clusters, market development, new business models)

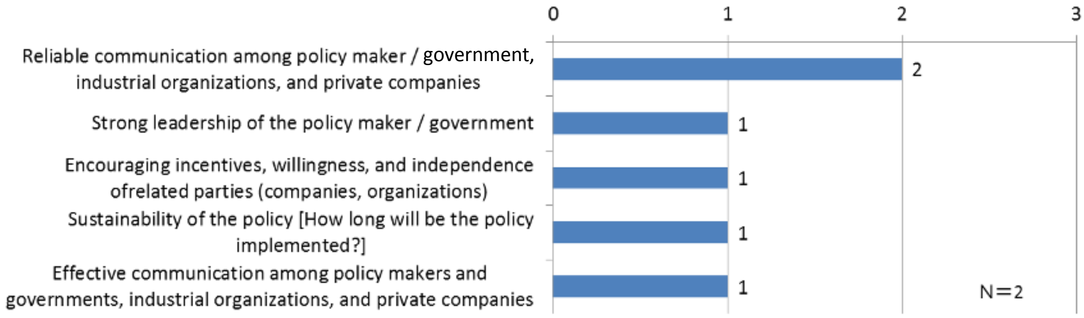
Source: Evaluation Survey of Content Industry Promotion Policies.

[4] Figure 6-5 indicates the score or the magnitude of effectiveness, and Figure 6-6 indicates the number of respondents who consider each policy effective. The tendency of the two results does not necessarily match because of the limited number of respondents.

2.3. Key Success Factor

Figure 6-8 shows what respondents consider an important element (key success factor) for maximising the effectiveness of policy #2 (Stimulate establishment of industrial clusters, market development, new business models) as it has the most votes for effectiveness (Section 0). 'Reliable communication among policymakers, government, industrial organisations, and private companies' has two votes out of two respondents.

Figure 6-8: Key Success Factor of Policy #2 (Stimulate establishment of industrial clusters, market development, new business models)



Source: Evaluation Survey of Content Industry Promotion Policies.

a. Challenges

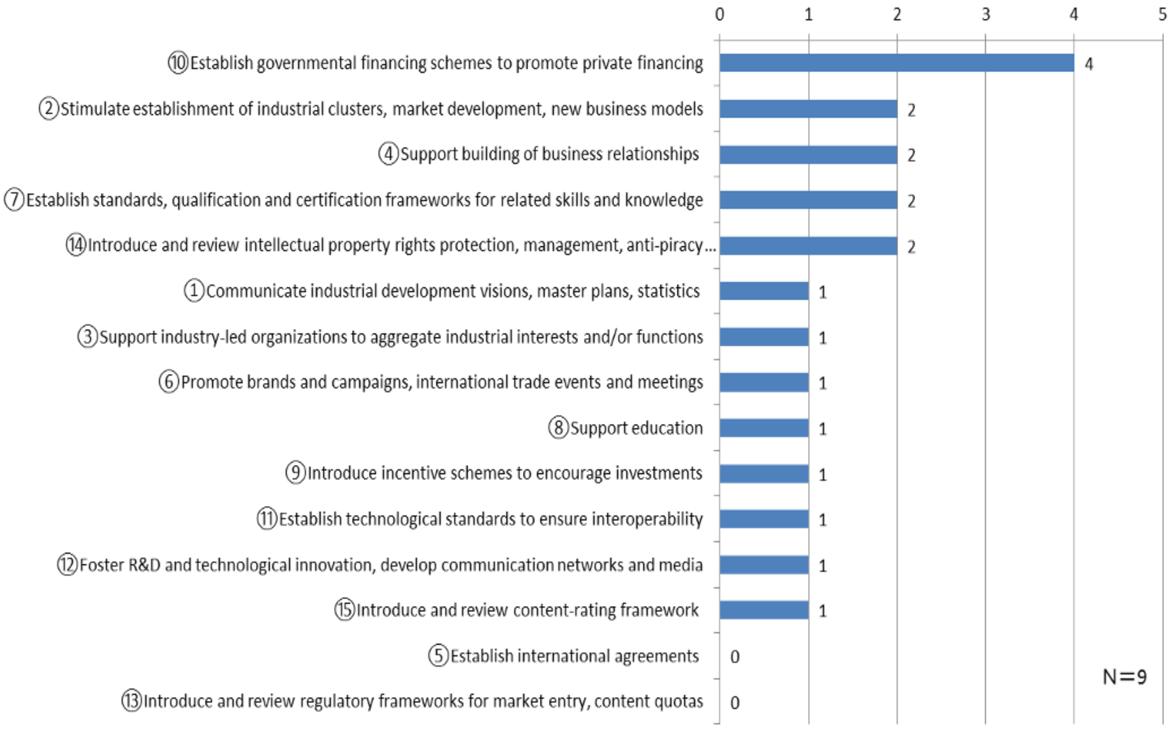
Figure 6-9 shows the policies considered to face challenges. #10 (Establish government financing schemes to promote private financing) has the most votes.

b. Necessity of Current Policies and Expectations

Figure 6-10 shows the survey results on necessary policy. Considered the most necessary are #4 (Support building business relationships), #7 (Establish standards, qualification and certification frameworks for related skills and knowledge), and #8 (Support education).

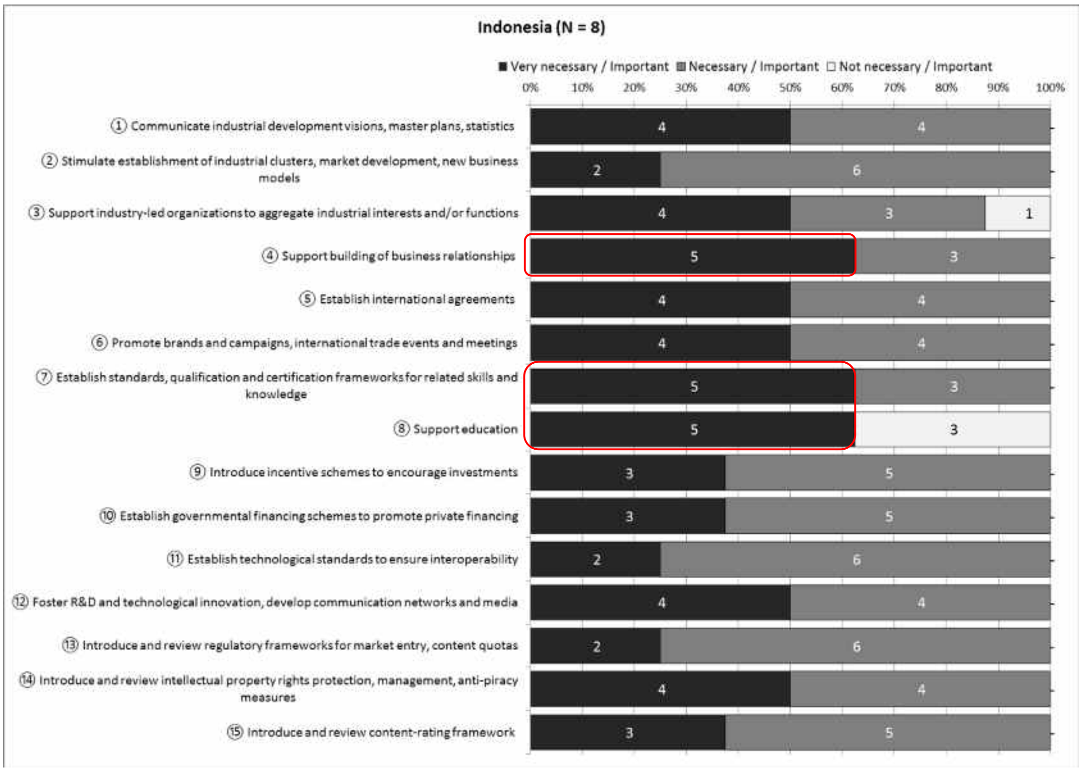
Figure 6-11 shows the respondents' expectations of policies, irrespective of current implementation. The highest expectation is increased revenue.

Figure 6-9: Policies Needing Improvement



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 6-10: Necessity of Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 6-11: Expectations of Implemented Policies

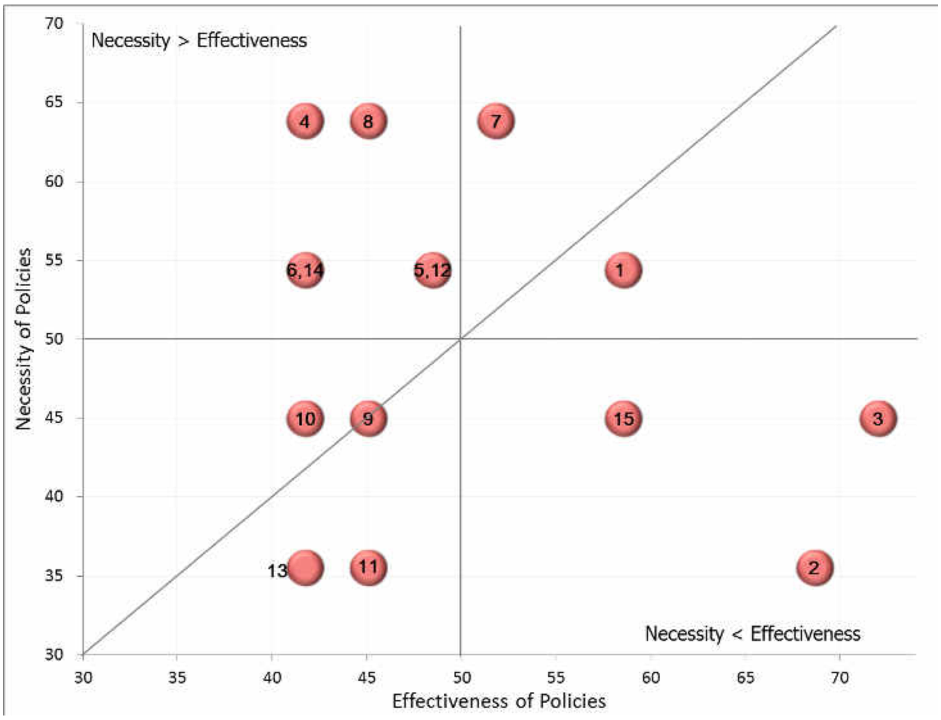
Source: Evaluation Survey of Content Industry Promotion Policies.

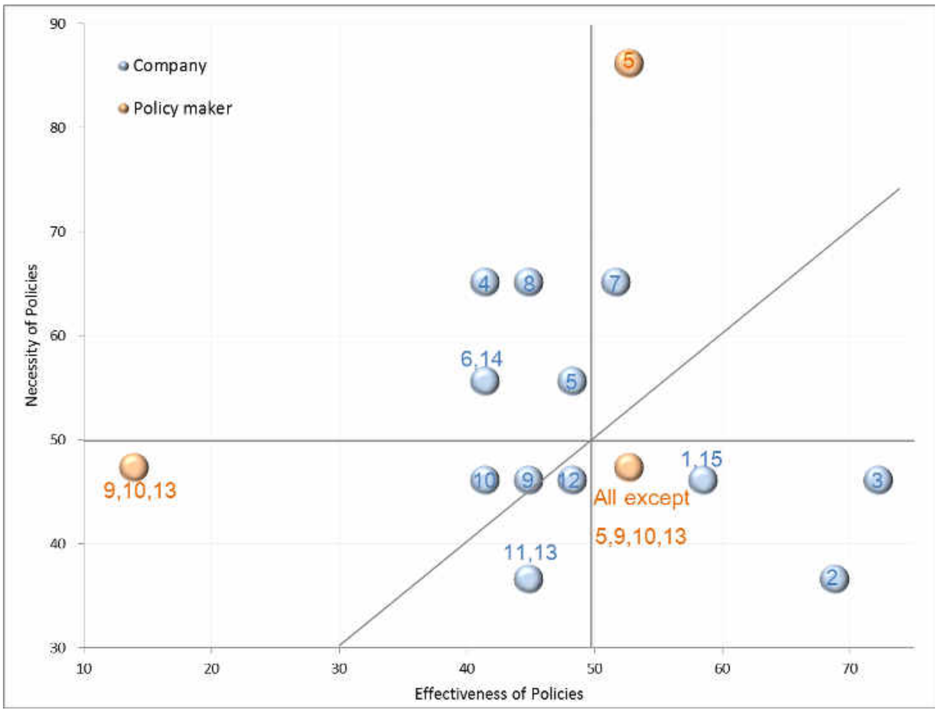
c. Policy Prioritisation

Figure 6-12 maps the effectiveness and necessity of each policy. The figures are converted into deviation values to relatively map the results. Each plot describes the policy activity. Overall, half of the policies for Indonesia face challenges where necessity is greater than effectiveness. In particular, there is demand for policies #4 (Support building of business relationships), #5 (Establish international agreements), #6 (Promote brands and campaigns, international trade events and meetings), #8 (Support education), #12 (Foster research and development and technological innovation, develop communication networks and media), and #14 (Introduce and review intellectual property rights protection, management, anti-piracy measures), but their effectiveness is not as apparent as expected.

Table 6-3 describes the results of the overall analysis. It provides the performance indicator for each policy activity, describing the priority level, or the relative distance between necessity and effectiveness (see Chapter 1 for a more detailed explanation of a performance indicator). The table also provides the coefficient of variation, a normalised measure of dispersion, which describes the variance among respondent categories. The results show that #4 (Support building of business relationships) has an especially high priority for improvement.

Figure 6-12 : Effectiveness vs. Necessity of Policies (above: average, below: by category)





Source: Evaluation Survey of Content Industry Promotion Policies.

Table 6-3: Results of Policy Evaluation Analysis

Policy Area	Policy Activities	Performance	C.V Effectiveness, %	C.V Necessity, %
Industry and Market Development	1. Communicate industrial development visions, master plans, statistics	2.9	5	30
	2. Stimulate establishment of industrial clusters, market development, new business models	23.4	13	13
Organisational Scheme, Business Relationships	3. Support industry-led organisations in aggregating industrial interests and/or functions	19.1	16	1
	4. Support building of business relationships	- 15.6	12	16
International Relationships	5. Establish international agreements	- 4.2	4	8
	6. Promote brands and campaigns, international trade events and meetings	- 9.0	12	8
Human Resources	7. Establish standards, qualification and certification frameworks for related skills and knowledge	- 8.5	1	16
	8. Support education	- 13.3	8	16
Finance	9. Introduce incentive schemes to encourage investments	0.1	8	1
	10. Establish government financing schemes to promote private financing	- 2.3	12	1
Technology	11. Establish technological standards to ensure interoperability	6.7	8	13
	12. Foster research and development and technological innovation, develop communication networks and media	- 4.2	4	1
Legal Frameworks	13. Introduce and review regulatory frameworks for market entry, content quotas	4.4	53	13
	14. Introduce and review intellectual property rights protection, management, anti-piracy measures	- 9.0	12	8
	15. Introduce and review content-rating frameworks	9.6	5	1

CV = coefficient of variation (variation among respondent categories).

Note: 'Performance' indicates the relative distance where:

(a) Figures above zero: Effectiveness outperforms necessity/expectation

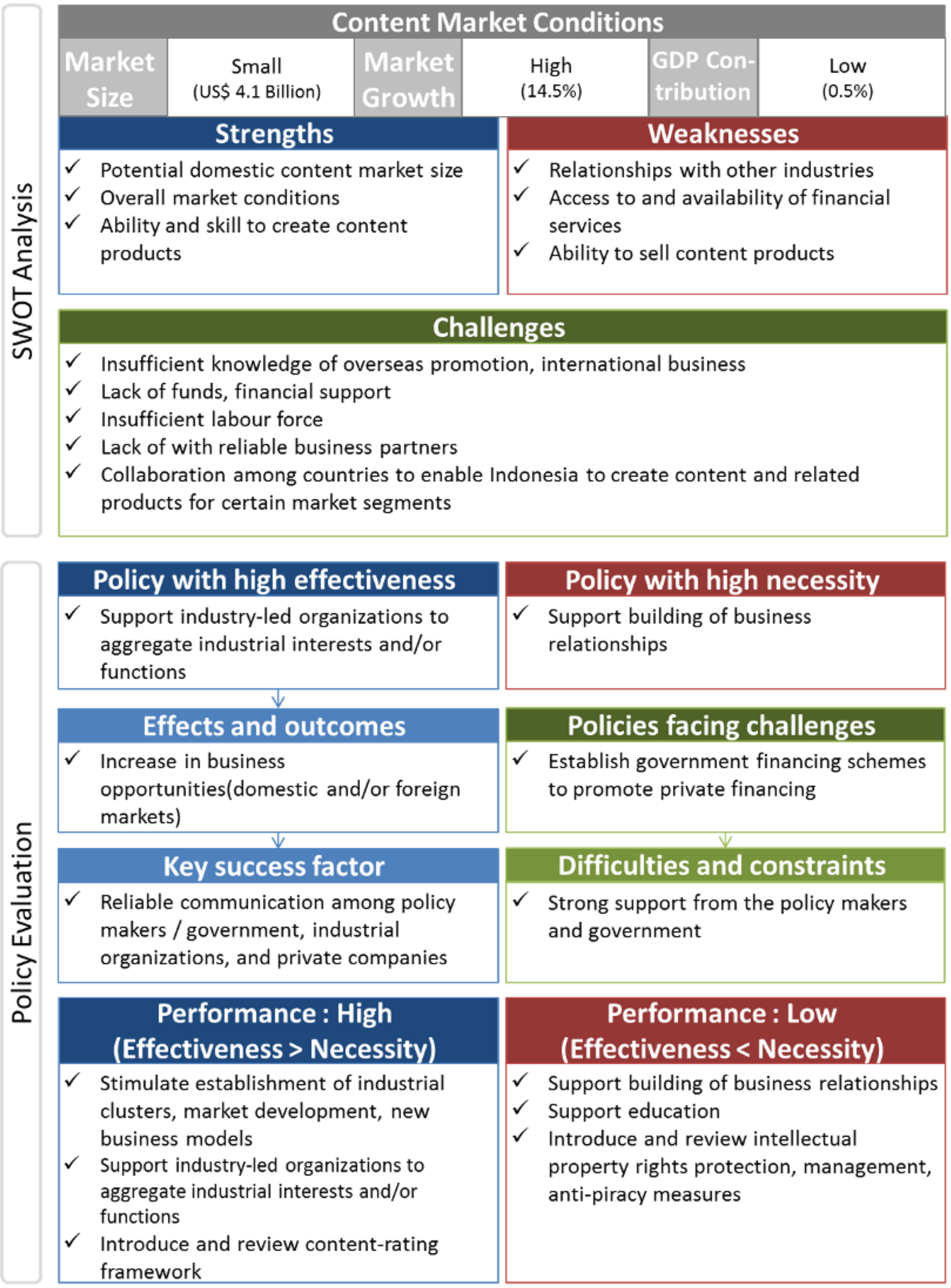
(b) Figures below zero: Effectiveness underperforms necessity/expectation

Source: Authors based on valuation Survey of Content Industry Promotion Policies.

3. Summary

Figure 6-13 summarises the results.

Figure 6-13 : Overall Results: Indonesia



Source: Authors.

The government defined policies to develop the creative economy until 2015, and its commitments are described in Vision and Mission of Creative Economy for 2025. Although the current content market is smaller than that of other countries in the region, its domestic potential is high due to rapid economic growth. As a result of Indonesia's focus on becoming more competitive in the creative sector, policies supporting industry-led organisations in aggregating industrial interests and/or functions have increased business opportunities. Together with policies to stimulate the establishment of industrial clusters, market development, and new business models have shown high performance corresponding with growing policy demand.

Indonesia has strong ability and skills to create content products, although it still needs to enhance its capacity to create a vibrant market, including overseas. In particular, the insufficient labour force and lack of reliable partners, and weak relationships with other industries and lack of access to financial services could hinder the content industry's development. Demand for government support in building business relationships is therefore strong. Stakeholders also expect government policies to play an important role in establishing financing schemes to promote private financing. Policies for building business relationships and supporting education have high priority. These should help strengthen the content industry's relationships with other industries and its ability to sell and distribute content products. These efforts are expected to increase the industry's potential to contribute to the economy.

CHAPTER 7

Policy Evaluation: Japan

1. Strength/Weakness, Opportunity/Threat (SWOT) Analysis

1.1. Strengths and Weaknesses: Survey Results

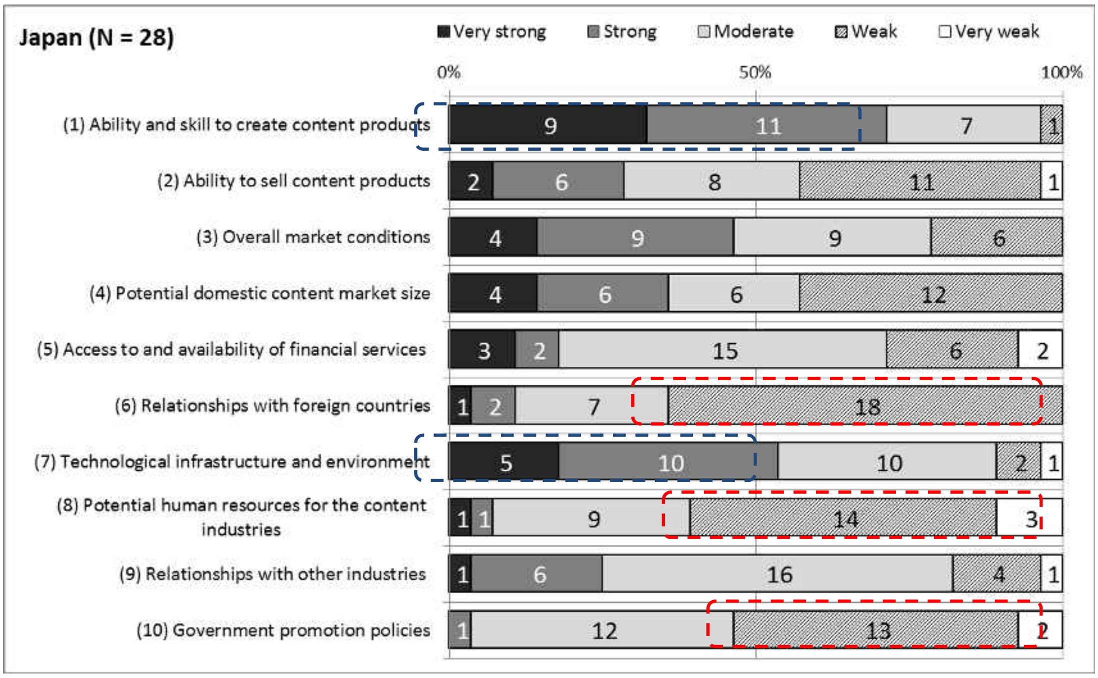
Figure 7-1 shows strengths and weaknesses, and Figure 7-2 strengths and weaknesses by respondent category. The results indicate that the majority of respondents recognise 'ability and skill to create content products' (1) and 'technological infrastructure and environment' (7) as the industry's strengths. These two elements can be considered strengths, where the combined 'very strong' and 'strong' result exceeds 50 percent. The two elements have the most votes for each respondent category and are strongly recognised by policymakers.

'Relationships with foreign countries' (6), 'potential human resources for content industries' (8), and 'government promotion policies' (10) are weaknesses, as the combined result of 'weak' and 'very weak' exceeds 50 percent. Item (6) is one of the few elements that policymakers have rated lower than have other respondents. Item (8) sees a gap of votes among respondents, with industrial organisations and academic experts rating it lowest.

1.2. Current and future challenges

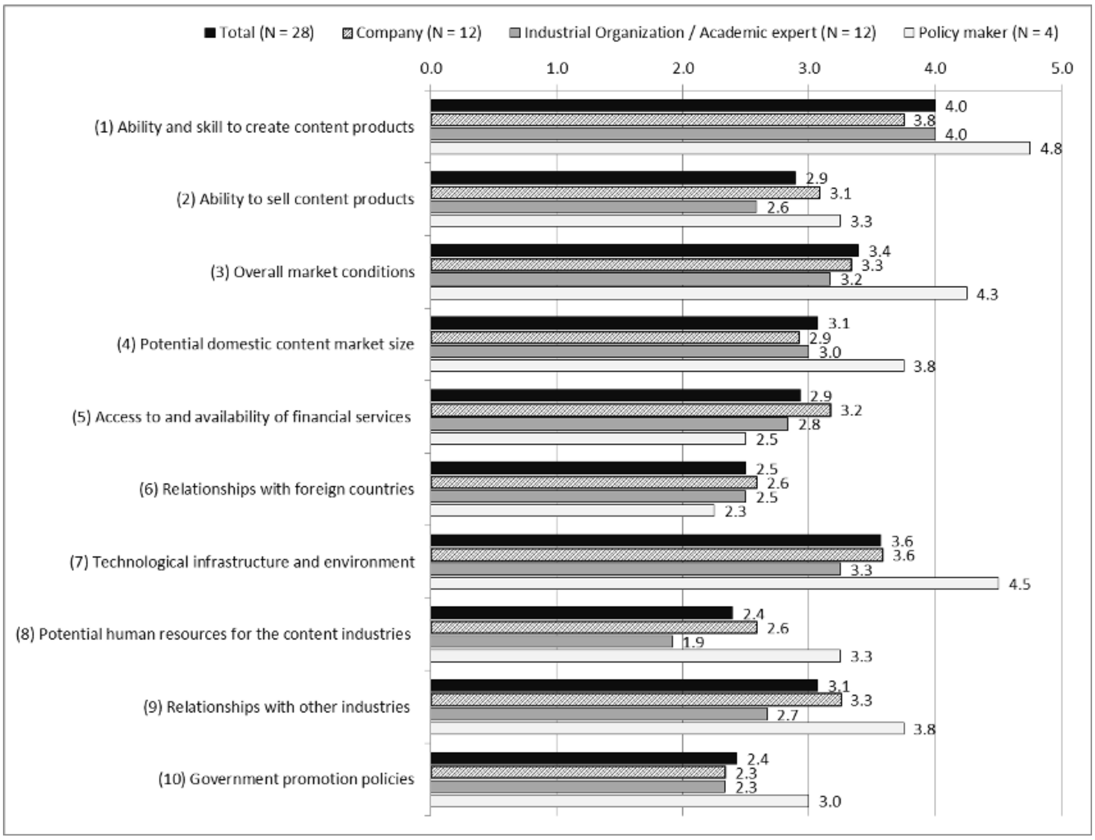
Figure 7-3 shows the results for current challenges facing the content industry. The votes are highest (23/28) in 'spread of pirated contents'; 'insufficient knowledge of overseas promotion, international business' (15/28); and 'adapting to new business models and technologies' (15/28).

Figure 7-1: Strengths and Weaknesses



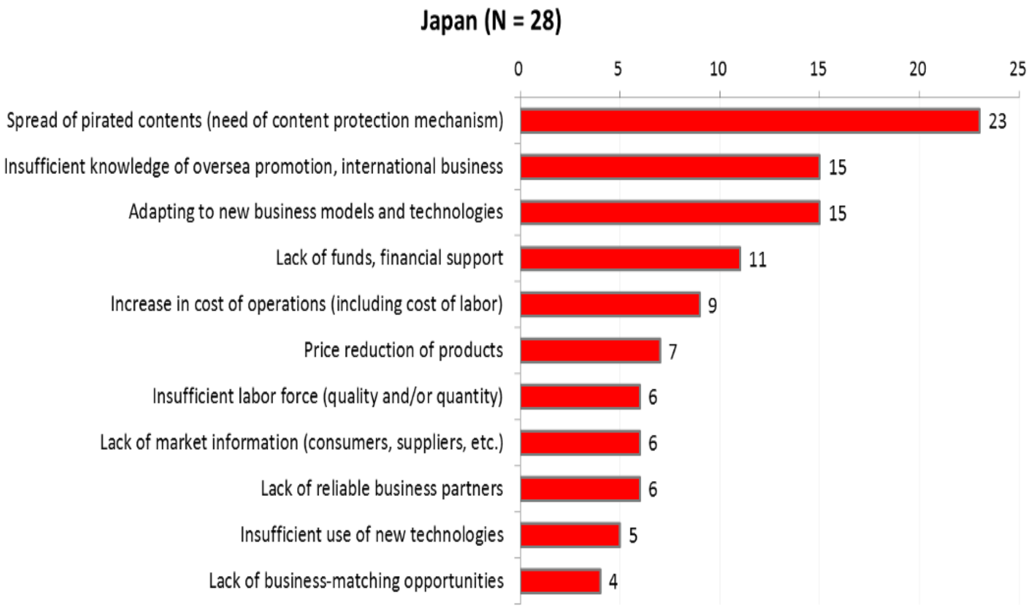
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 7-2: Strength and Weakness Score: Respondent Comparison



Source: Evaluation Survey of Content Industry Promotion Policies

Figure 7-3: Current Challenges



Source: Evaluation Survey of Content Industry Promotion Policies.

Many respondents point out issues regarding the decline in population in Japan, change in demographics and the technological and business environment, and difficulties in adapting to these changes (Table 7-1). In particular, many content companies lack human resources with international business experience, and are struggling to enhance domestic and international business practices.

Table 7-1: Free Descriptive Answers Regarding Current and Future Challenges

Category	Comment
Company	● Decline in domestic population [1,2,3/1,4,5] ● Because the domestic content market is quite large, there is little incentive for content companies to go overseas and risk new market deployment. In addition, the content business ecosystem of the domestic market is very different from that of the overseas market, and knowledge of overseas business has yet to accumulate in the industry. There is also the threat of large overseas companies acquiring the core licence of Japanese content. [4/5,7] ● Necessity of adapting to declining youth population in the domestic market ● Necessity of targeting growing consumer segments in the region by leveraging experience of Japanese content distribution [1,3,5/1,2,3,4,5,7] ● Improvement of anti-piracy measures [1,2,3/1,2,3,4,5,7] ● Necessity of creating content that meets market demand, rather than selling content that does not make a profit [1,2,3/4]

Category	Comment
	● Lack of new business models for adapting to online piracy and Internet technology [3/1,4,7] ● Strict regulations in some countries against cross-border content distribution [3/1,4,7]
Industrial Organisation, Academic Expert	● Necessity of fostering an overseas market for Japanese content [3,5/1,4] ● Japanese content is well established in the region. In the case of animation, for example, production costs can be recouped in the domestic market alone, and so there is little motivation to go overseas, where piracy is still significant. Negotiations between nations over anti-piracy measures are essential. [3/1,2,3,4,5] ● Necessity of improving skills of artists and staff (content production, language, etc.) and necessity of marketing and developing local networks and staff in overseas markets [1,2/5] ● Liberalising licence conditions to go overseas, such as by introducing a framework for the country to manage rights as a proxy [1,2,3/1,3,4,5,6] ● An important element is collaborating with the region daily over the long term. [1,2,3,4,5/1,2,3,4,5,6,7] ● Improvement of intellectual property rights management, price gap between domestic and foreign markets, and means of making it easy to meet domestic and overseas market demand [1/1,3] ● Strict regulations against cross-border content distribution in Asian countries [4/1,5] ● Necessity of adapting to a changing domestic market (e.g. promoting new music distribution services). Necessity of building good relationships with reliable partners and enhancing content distribution. Difficulty acquiring visas and/or getting approval to convey equipment [1/1,2,3]
Policymaker	● Necessity of collaborating with other countries on anti-piracy measures ● Necessity of developing new business and profit model to enhance overseas business ● The unique production committee system in the Japanese film and animation sector has its advantages in raising funds and managing risk. However, it faces challenges in rights management in overseas operations. Also, the domestic content market is mostly composed of small and medium-sized enterprises, which often lack human resources and funds for overseas operations.

Note: Numbers placed in each comment describes the sector and operation the respondent is engaged in. [1 = TV programme, 2 = film, 3 = animation, 4 = games, 5 = music, '-' = no response/ 1 = production, 2 = post-production, 3 = broadcasting, 4 = distribution, 5 = sales, 6 = purchase/aggregation, 7 = manufacturing, '-' = no response]

Source: Evaluation Survey of Content Industry Promotion Policies.

1.3. Strength/Weakness, Opportunity/Threat (SWOT) Analysis: Update of the FY2012 Report

The update of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report) (Table 7.2) takes into account the survey results as well as recent market trends (Chapter 2) and policies (Chapter 4).

Japan's relatively large domestic market and high ability and skills to create content products are considered strengths. An environment for content production utilising high-end technologies, attractive content, and its global popularity are also considered advantages.

On the other hand, Japan is facing challenges due to limited domestic market growth, relatively high production costs, lack of relationships with foreign countries, and insufficient government promotion policies. The most recognised of these challenges is content piracy—one reason why some Japanese content companies are refraining from doing overseas business despite the worldwide popularity of *manga* (comics) and *anime* (animation). More content companies, however, are getting involved in cross-border business, since the domestic content market will certainly shrink in the long term because of Japan's declining population. It seems, however, that the content business has yet to accumulate knowledge of or experience in different business practices, with some companies struggling to adapt to business models or to develop new ones.

Table 7-2: SWOT Analysis—Japan

Internal	
Strengths	**Weaknesses**
● Ability and skills to create content (e.g. programme planning and producing ability) ● Technological infrastructure and environment ● Popularity of animation, comics, games, and character goods ● Extending range, e.g. idol and geek culture ● Sufficiently developed domestic broadcasting market ● Many broadcasting stations and production companies ● Ability to develop programme formats ● Experience in international joint production	● Insufficient potential human resources for content industries ● Relatively high production costs and low competitiveness and profitability abroad ● Insufficient promotion policies or support systems ● Spread of pirated content ● Insufficient experience or knowledge to sell products abroad ● Lack of overseas partners to distribute Japanese content ● Difficulties in meeting demands of both domestic and overseas markets ● Difficulties in adapting to cultures and business customs
Opportunities	**Threats**
● High GDP and GDP per capita	● Depopulation and aging society

● High penetration of the Internet, fixed broadband, and mobile network ● Diffusion of content distribution platform services ● Large number of Japanese companies operating overseas, which can possibly sponsor content distribution ● High evaluation of Japanese content and culture in overseas markets ● Enhanced government support measures for overseas promotion (Cool Japan, Creative Industries Policy)	● Maturation and slow growth of domestic economy ● Less popularity of TV among young people (diversification in media usage and transition to online media) ● Ethnic and language barriers (especially actors)
External	

GDP = gross domestic product; SWOT = strength/weakness, opportunity/threat.

Source: Authors.

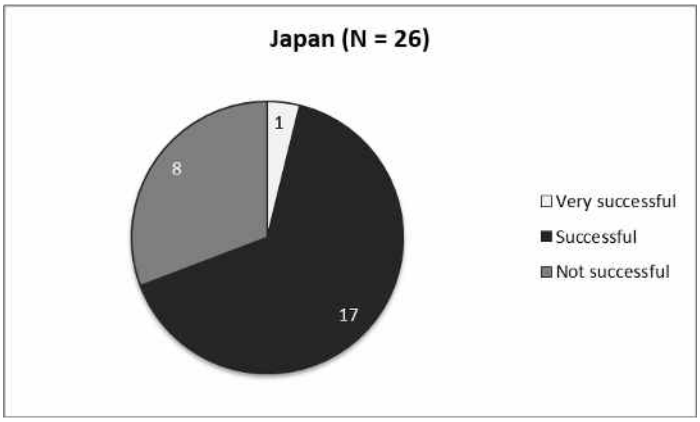
2. Policy Evaluation

2.1. Overall Evaluation

Figure 7-4 shows the survey results of the overall assessment of related policies. Eighteen out of twenty-six respondents (69 percent) indicate positive assessment ('very successful' or 'successful').

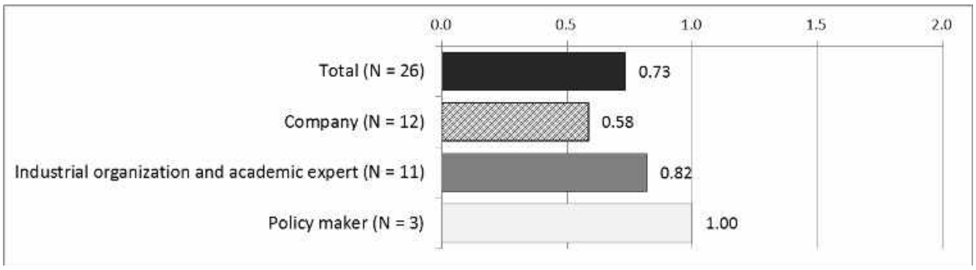
Figure 7-5 shows the score for each respondent category, indicating the gap between stakeholders.

Figure 7-4: Overall Assessment of Content Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 7-5: Overall Assessment of Content Policies (Score per Respondent Category)



Note: Figures indicate weighted average of number of respondents and weight (very successful = 2, successful = 1, not successful = 0).
Source: Evaluation Survey of Content Industry Promotion Policies.

2.2. Effectiveness of Current Policies

Figure 7-6 shows the survey results on the awareness of effectiveness of the policies, and how these meet respondents' expectations. Three policies are supported by the majority of respondents: #6 (Promote brands and campaigns, international trade events and meetings), #14 (Intellectual property rights protection), and #3 (Support industry-led organisations to aggregate industrial interests and/or functions).

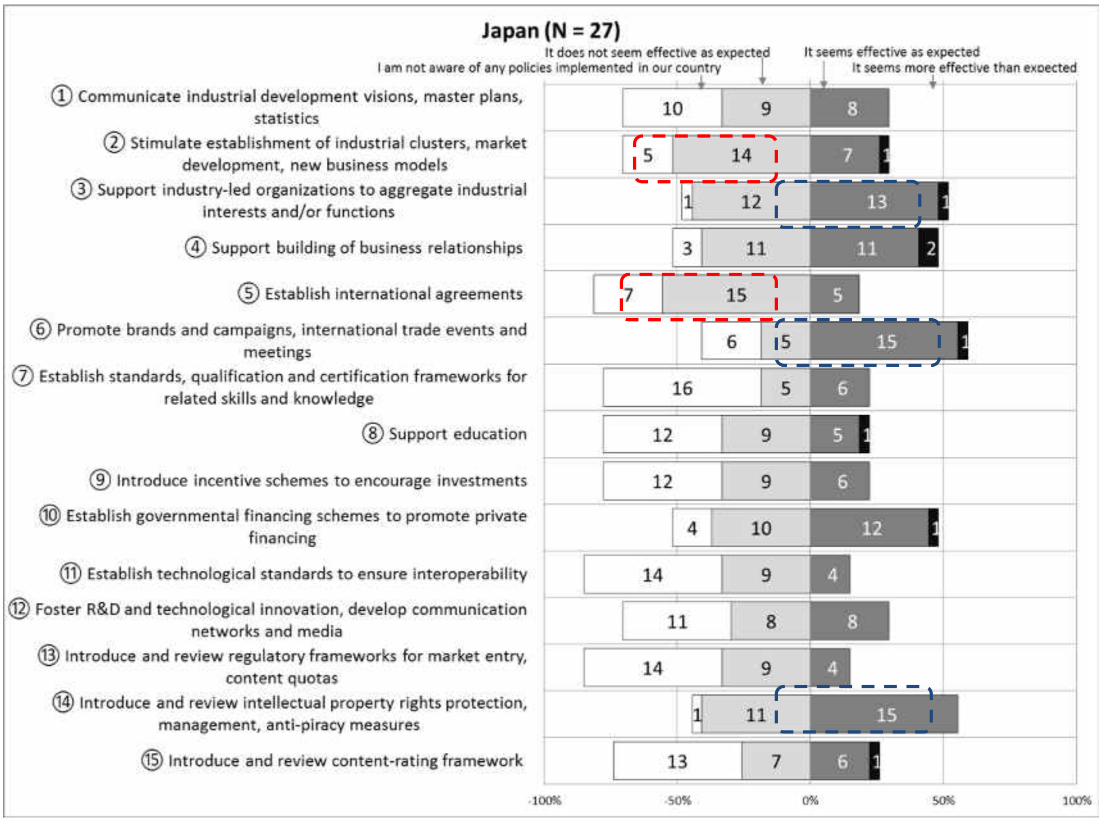
Policy #5 (Establish international agreements) has the most negative votes, which is a recognition of industries' weakness, i.e. relationships with foreign countries (Section 1.1).

Figure 7-7 shows the policies considered, in descending order, to have high effect. Policy #6 (Promote brands and campaigns, international trade events and meetings) has the most votes. Figure 7-8 describes the effects and outcomes that resulted from policy #6. Most respondents have enjoyed increased opportunities to network with business partners and clients.

2.3. Key Success Factor

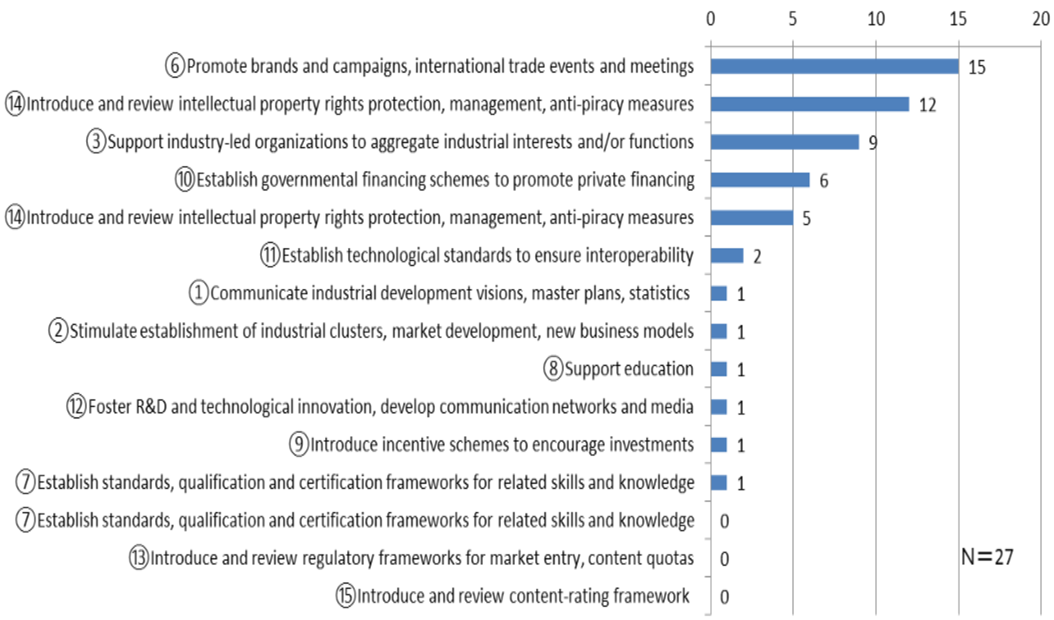
Figure 7-9 shows what respondents consider an important element (key success factor) for maximising the effectiveness of policy #6 (Promote brands and campaigns, international trade events and meetings). The majority of respondents consider it important for the policy to be implemented for a certain period. The government is expected to continue promoting brands and campaigns to encourage the industry.

Figure 7-6: Policy Effectiveness



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 7-7: Policies Regarded as Effective

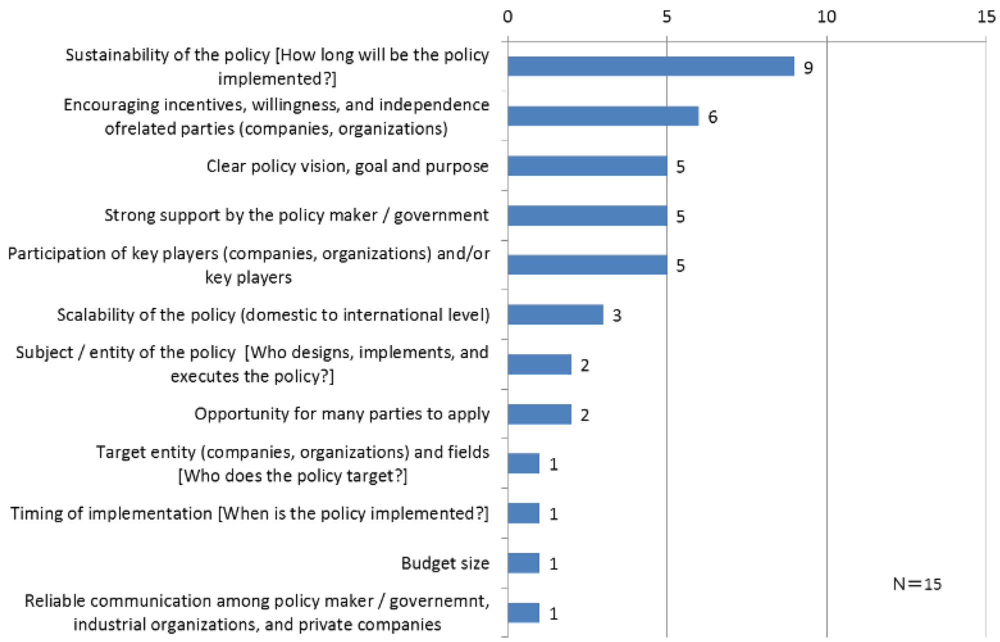


Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 7-8: Effects and Outcomes as a Result of Policy #6

Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 7-9: Key Success Factor of Policy #6
(Promote brands and campaigns, international trade events and meetings)



Source: Evaluation Survey of Content Industry Promotion Policies.

2.4. Challenges

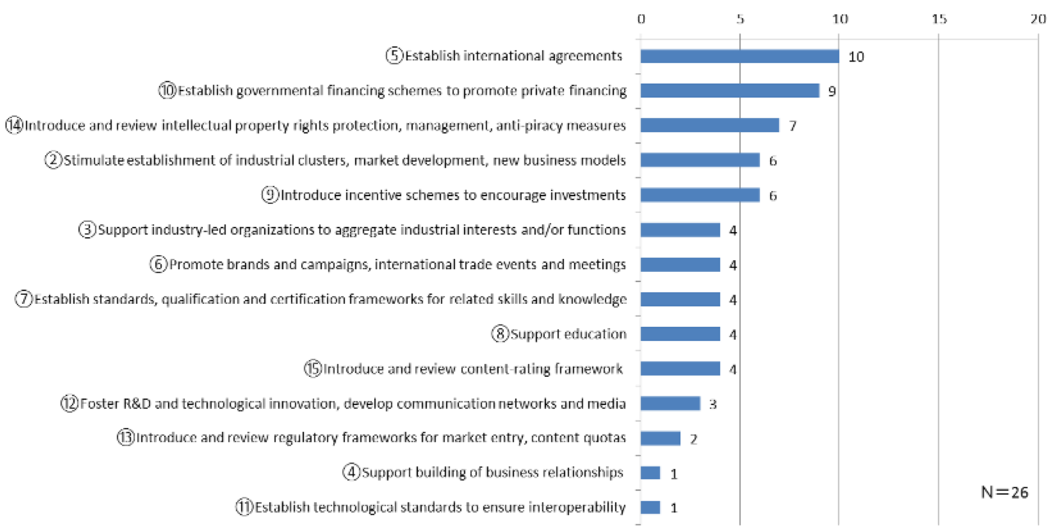
Figure 7-10 shows the policies considered to be facing challenges. Policy #5 (Establish international agreements) has the most votes. Figure 7-11 indicates that many respondents consider strong leadership by policymakers and governments as the key to overcoming the challenge.

2.5. Necessity of Current Policies and Expectations

Figure 7-12 shows the survey results on the necessity or needs of policy implementation. Policy #14 (Intellectual property rights protection) has the most votes (very necessary/important), which corresponds to the current challenges described in Section 0.

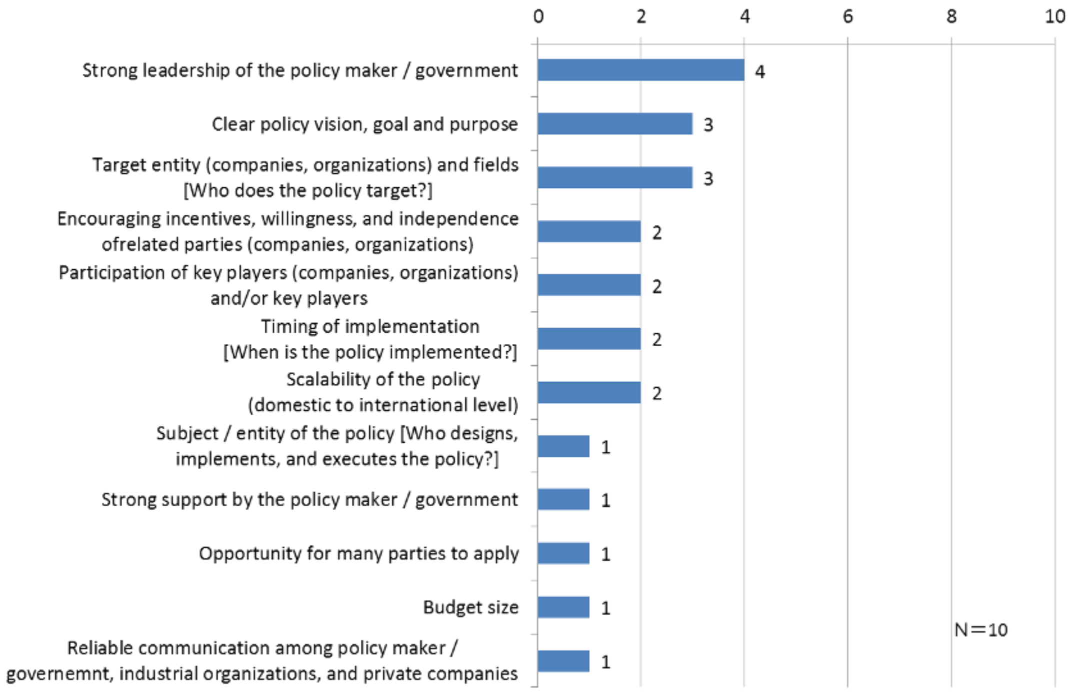
Figure 7-13 shows the respondents' expectations of policies, irrespective of current implementation. The majority of respondents expect increased revenues and business opportunities.

Figure 7-10: Policies Needing Improvement



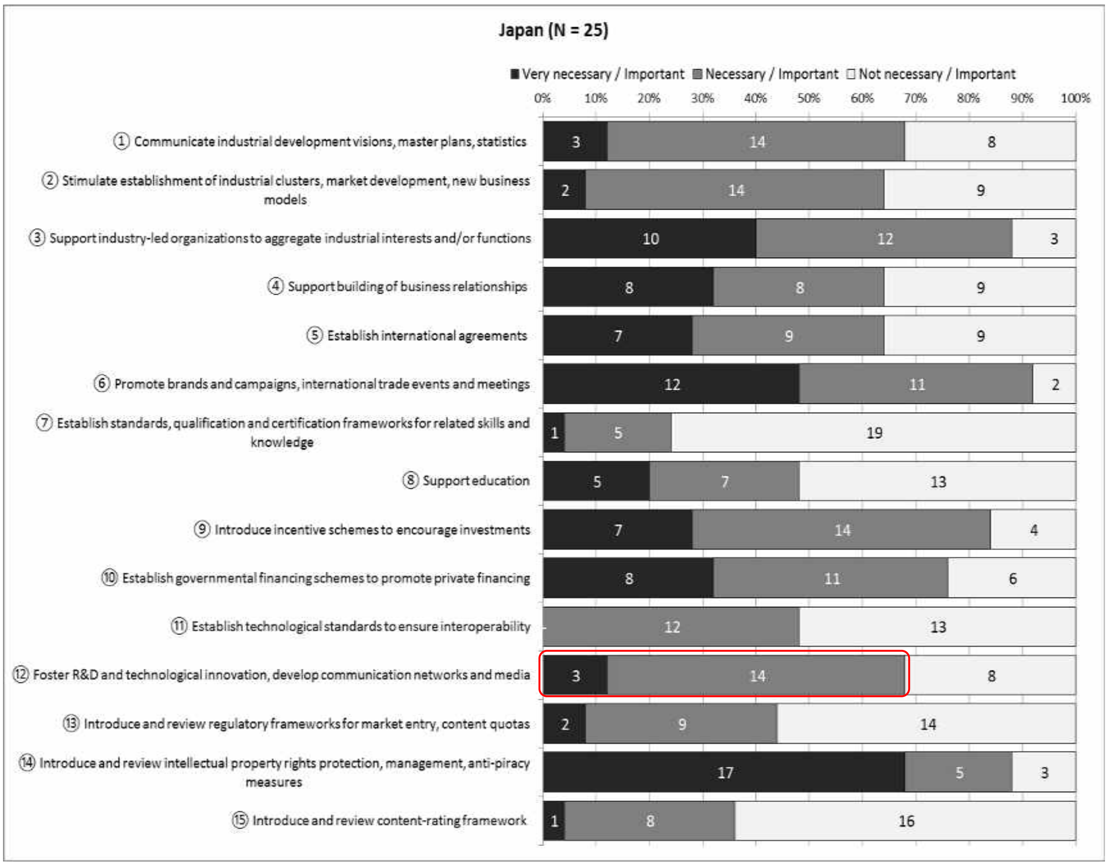
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 7-11: Difficulties and Constraints of Policy #5 (Establish international agreements)



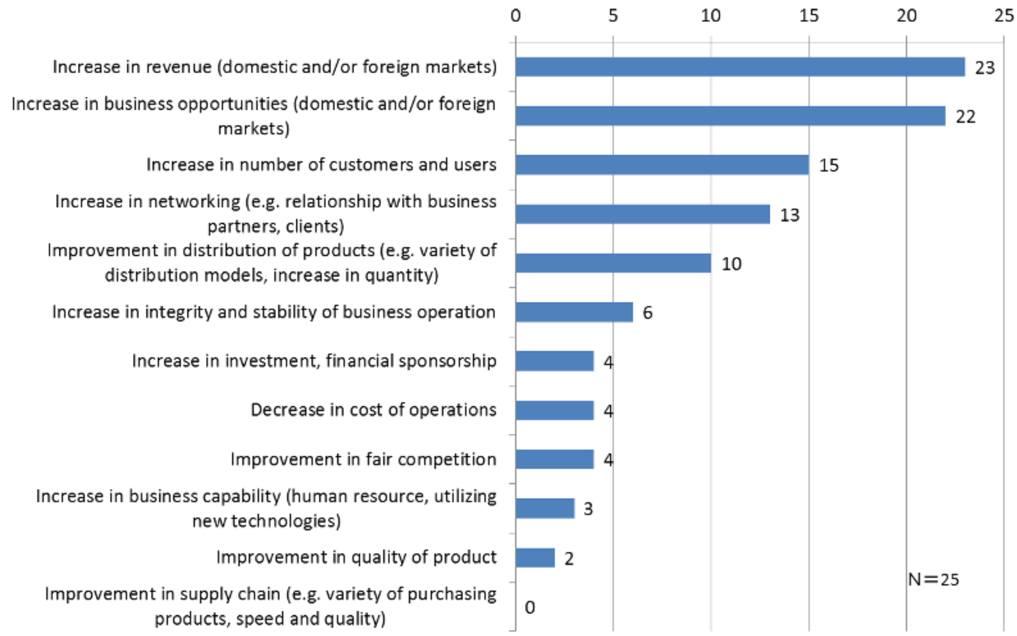
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 7-12: Necessity of Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 7-13: Expectations of Implemented Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

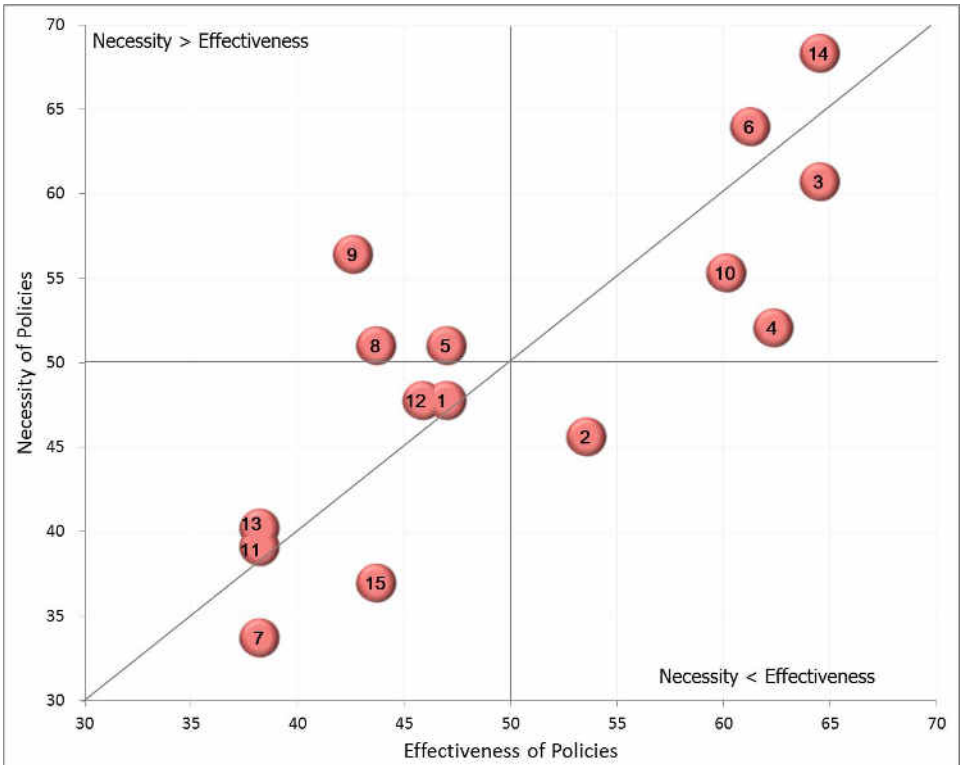
2.6. Policy Prioritisation

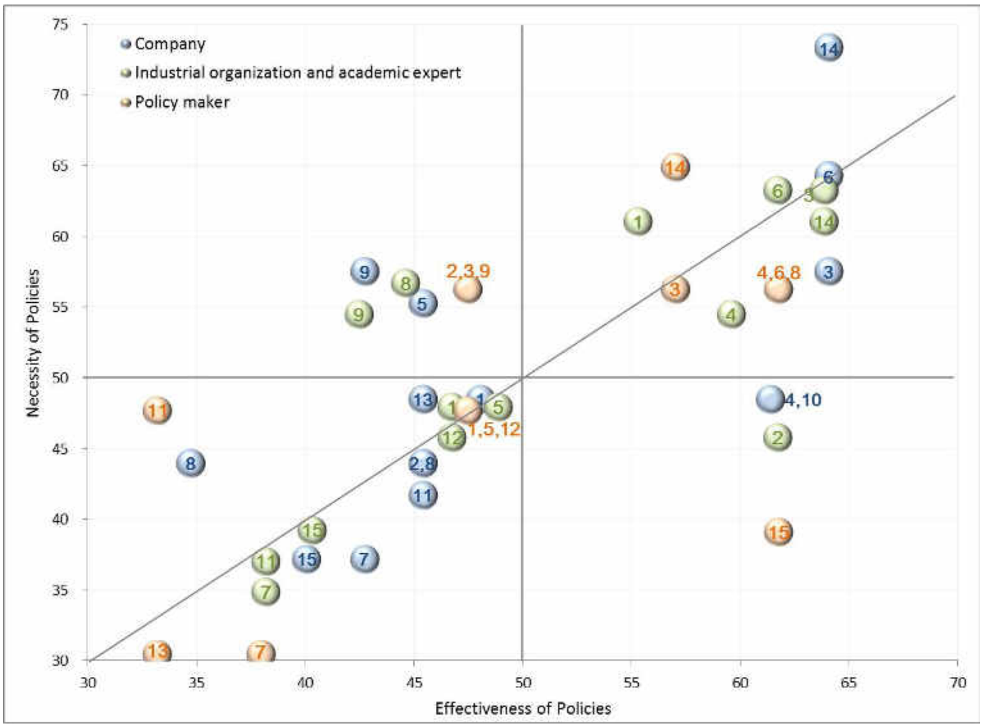
Figure 7-14 maps the effectiveness and necessity of each policy. The figures are converted into deviation values to relatively map the results. Each plot describes the policy activity. Overall, the level of effectiveness meets the necessity degree for most policies. Although policies #5 (Establish international agreements), #8 (Support education), and #9 (Introduce incentive schemes to encourage investments) are in high demand, their effectiveness does not seem to meet expectations.

Table 7-3 describes the overall analysis results and provides the performance indicator for each policy activity, describing the priority level, or the relative distance between necessity and effectiveness (see Chapter 1 for a more detailed explanation of a performance indicator). The table also provides the coefficient of variation and a normalised measure of dispersion, which describes the variance among respondent categories. The results show that policy #9 has an especially high priority for improvement.

Figure 7-14 : Effectiveness vs. Necessity of Policies

(above: by category, below: by average)





Source: Evaluation Survey of Content Industry Promotion Policies.

Table 7-3: Results of Policy Evaluation Analysis

Policy Area	Policy Activities	Performance	CV Effectiveness, %	CV Necessity, %
Industry and Market Development	1. Communicate industrial development visions, master plans, statistics	- 0.6	1	1
	2. Stimulate establishment of industrial clusters, market development, new business models	5.6	14	11
Organisational Schemes, Business Relationships	3. Support industry-led organisations to aggregate industrial interests and/or functions	2.6	5	5
	4. Support building of business relationships	7.2	2	6
International Relationships	5. Establish international agreements	- 2.9	3	7
	6. Promote brands and campaigns, international trade events, and meetings	- 2.0	13	6
Human Resources	7. Establish standards, qualification and certification frameworks for related skills and knowledge	3.1	6	8
	8. Support education	- 5.2	24	11
Finance	9. Introduce incentive schemes to encourage investments	- 9.8	5	2
	10. Establish government financing schemes to promote private financing	3.4	5	9
Technology	11. Establish technological standards to ensure interoperability	- 0.7	13	10
	12. Foster research and development and technological innovation, develop communication networks and media	- 1.4	2	3
Legal Frameworks	13. Introduce and review regulatory frameworks for market entry, content quotas	- 1.4	13	19
	14. Introduce and review intellectual property rights protection, management, anti-piracy measures	- 2.7	5	8
	15. Introduce and review content-rating framework	4.7	21	2

CV = coefficient of variation (variation among respondent categories).

Note: 'Performance' indicates the relative distance where:

(a) Figures above zero: Effectiveness outperforms necessity/expectation

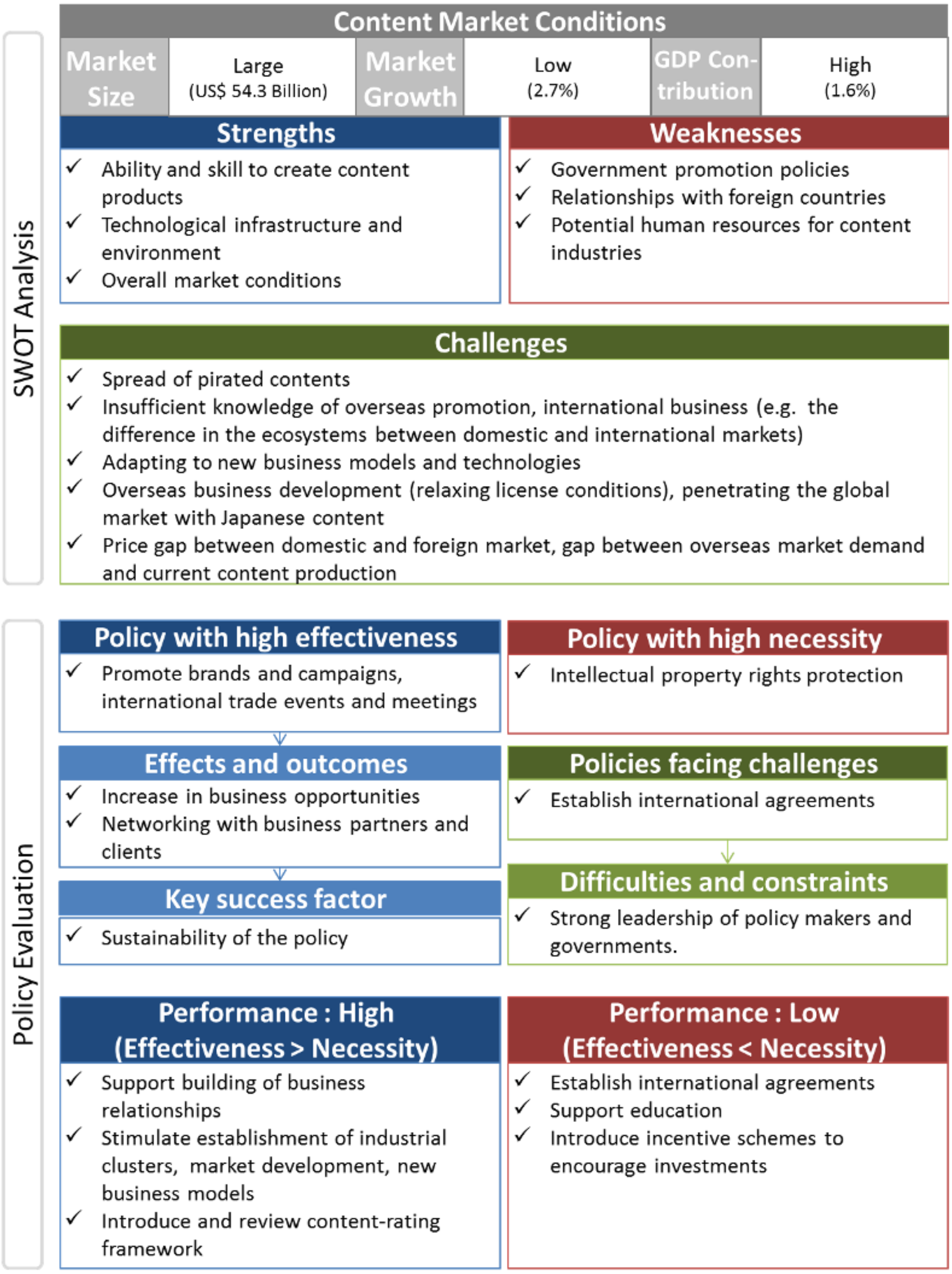
(b) Figures below zero: Effectiveness underperforms necessity/expectation

Source: Authors based on Evaluation Survey of Content Industry Promotion Policies.

3. Summary

Figure 7-15 summarises the results.

Figure 7-15: Overall Results: Japan



GDP = gross domestic product.

Source: Authors.

The content industry in Japan has enjoyed a large domestic market and has developed a structure and an ecosystem that contribute to the economy. Strength in the ability and skill to create content and a technological infrastructure environment as well as market conditions have nurtured the industry's growth and capacity. The industry, however, is experiencing challenges, such as slowdown in economic growth, declining population, and changing demographics, as well as rapid changes in business models and the technology environment. Under these conditions, Japan has strived to use its cultural charm to contribute to a higher value-added economy, and to enhance overseas development of the content industry.

Such efforts seem to be effective, especially in supporting industry-led organisations to aggregate industrial interests and functions (#3); supporting building of business relationships (#4); promoting brands and campaigns, international trade events, and meetings (#6); establishing government financing schemes to promote private financing (#10); and introducing intellectual property rights protection and management (#14).

However, stakeholders' expectations for #6 and #14 are higher than the effectiveness of these policy activities. It is essential for the government to continue working on these areas to enhance the development of the Japanese content industry.

CHAPTER 8

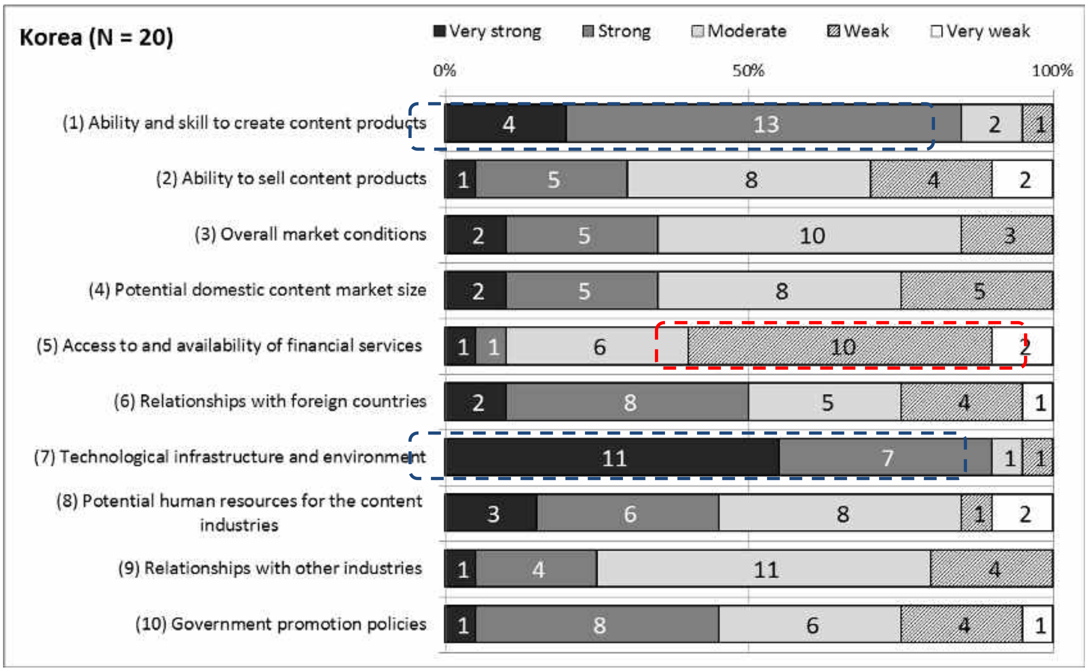
Policy Evaluation: Korea

1.1. Strength/Weakness, Opportunity/Threat (SWOT) AnalysisStrengths and Weaknesses: Survey Results

Figure 8-1 shows strengths and weaknesses, and Figure 8-2, strengths and weaknesses by respondent category. The majority of respondents recognise ‘technological infrastructure and environment’ (7) and ‘ability and skill to create content products’ (1) as the industry’s strengths. An item that is more than 50 percent ‘very strong’ and ‘strong’ combined is considered a strength. Item (7) was shared by all stakeholders, and item (1) was strongly recognised by policymakers.

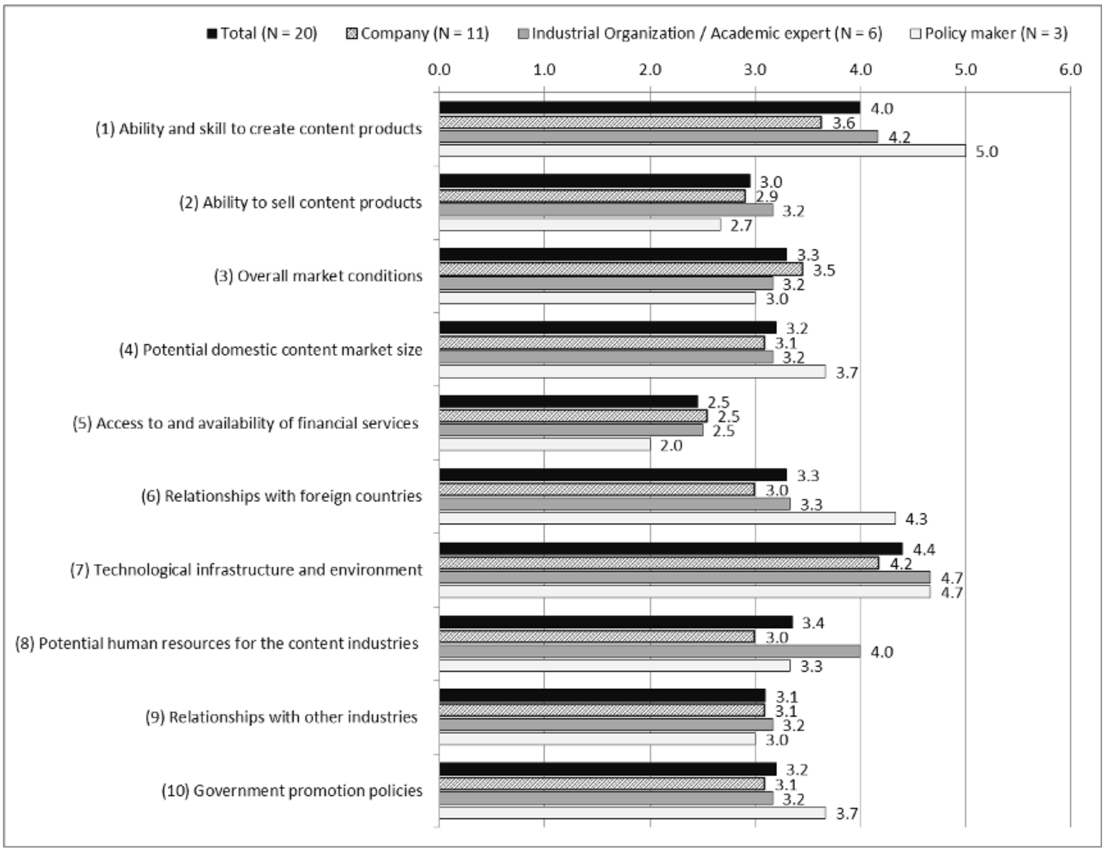
‘Accessibility and availability to financial services’ (5) is considered a weakness because ‘very weak ‘and ‘weak’ combined exceed 50 percent. It is recognised as a weakness especially by policymakers.

Figure 8-1: Strengths and Weaknesses



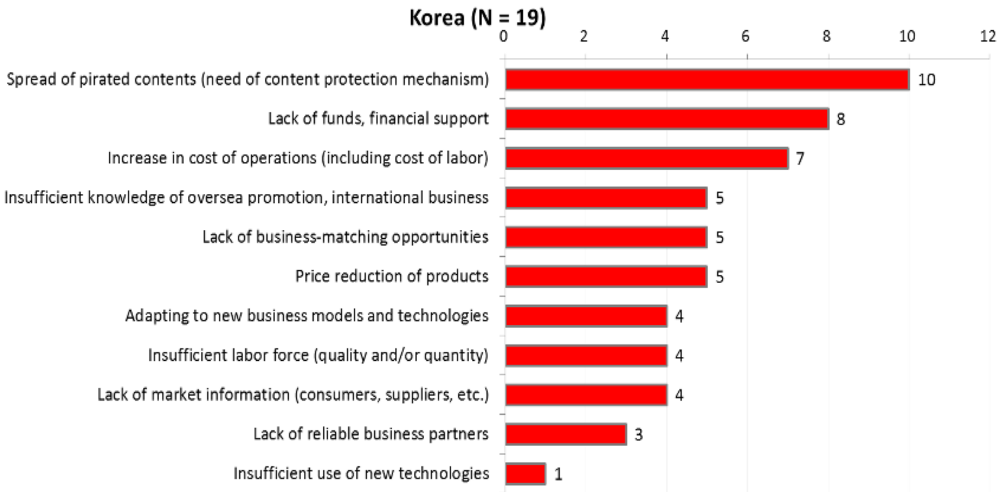
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 8-2: Strength and Weakness: Respondent Comparison



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 8-3: Current Challenges: Survey Results



Source: Evaluation Survey of Content Industry Promotion Policies.

Table 8-1: Free Descriptive Answers Regarding Current and Future Challenges

Category	Comment
Company	● Spread of pirated content, lack of reliable business partners, and absence of market information [1,2,3/4] ● Lack of relevant business opportunities and increased operating costs [2/4] ● Increasing operating costs, insufficient labour, and insufficient foreign sales promotion or international business knowledge [2/4] ● Difficulty in applying new business models and technologies, absence of subsidies and financial support, and spread of pirated content [1/1,2] ● Absence of market information (consumers, suppliers, etc.), insufficient overseas sales promotion, and insufficient international business knowledge [1,2,3,4/1,2,3]
Industrial organisation and academic expert	● In the case of TV broadcasters, insufficient outsourced production cost [1/3] ● Spread of pirated content, increased operating costs and product prices [1,2,3/-] ● Difficulty applying new business models and technologies, insufficient labour (quality/number), and lack of stable relationships with business partners [1,2,3/-] ● Decline in domestic production due to imports from the United States [2/4] ● Necessity of balance between fostering domestic production and market demand [1,3/3,4,5] ● Necessity of strengthening content (such as TV programmes) import regulations [1,3/3,4,5]
Policymaker	● The spread of pirated content, increased operating costs (including labour), and insufficient knowledge of overseas sales promotion or international business ● Increased operating costs (including labour), spread of content that allegedly infringes on copyright (content protection mechanism is needed), and insufficient subsidies and financial support ● Lack of relevant business opportunities, insufficient overseas sales promotion or international business knowledge, and lack of relationships with business partners

Note: Numbers after each comment describe the sector and operation the respondent is engaged in.
[1 = TV program, 2 = film, 3 = animation, 4 = games, 5 = music, ‘-‘ = no response /
1 = production, 2 = post-production, 3 = broadcasting, 4 = distribution, 5 = sales, 6 = purchase/aggregation, 7 = manufacturing, ‘-‘ = no response]
Source: Evaluation Survey of Content Industry Promotion Policies.

1.2. Current and Future Challenges

Figure 8-3 shows the survey results for current challenges facing the content industry. The votes are highest (10/19) for ‘spread of pirated content’ and ‘lack of funds, financial support’ as second.

Some respondents raised issues regarding the balance between domestic production and purchase of imported content, as the industry is investing in imported content (Table 8-1). This relates to other issues raised regarding constraints on production costs as seen in cases where TV broadcasters cannot outsource sufficient budget to production houses.

1.3 Strength/Weakness, Opportunity/Threat (SWOT) Analysis: Update of the FY2012 Report

The update of the ‘Study on the Development Potential of the Content Industry in East Asia and ASEAN Region’ (FY2012 Report) (Table 8-2) takes into account the survey results as well as recent market trends (Chapter 2) and policies (Chapter 4).

Korea’s strengths are its high-technological infrastructure and environment and its ability to create content products. With the current well-established system to support content export, and success in developing overseas markets and trade, Korea has seen the popularity of its content rise domestically and internationally—a phenomenon with ripple effects on other business fields.

Although Korea already has a mature market, most stakeholders consider access to financial infrastructure still weak. In terms of distribution, the market still suffers from the spread of pirated content. Increase in cost of production adds another layer of burden on content business companies.

As for the external environment, the high diffusion of network infrastructure, the presence of Korean companies in the global market, and high expectations on Korean content by media-related companies abroad can be considered opportunities.

On the other hand, Korea’s depopulation and aging society, language barriers, long-term economic depression, and decline in consumption are threats to the industry.

Table 8-2: SWOT Analysis—Korea

Internal	
Strengths	**Weaknesses**
• Technological infrastructure and environment • Ability and skill to create content products (e.g. programme planning and producing ability) • Popularity of 'Korean made' content (drama and music) • Ripple effects on tourism and industrial products • Overseas promotion based on cooperation between the government and private companies • High presence in overseas markets (established content overseas and networks with other countries) • Lower production costs and content prices (especially compared with Japan)	• Limited access to and availability of financial services • Limited domestic market • Lack of storytelling ability • Immature market caused by piracy and devaluation of content purchase price • Insufficient overseas sales promotion or international business experience
Opportunities	**Threats**
• High penetration of the Internet, fixed broadband, mobile network, and smartphones • Presence of Korean companies overseas and their good standing in business • Expectations on Korean content by media-related companies abroad	• Depopulation and aging society • Language barriers • Long-term economic depression and shrinking consumption
External	

SWOT = strength/weakness, opportunity/threat.
Source: Authors.

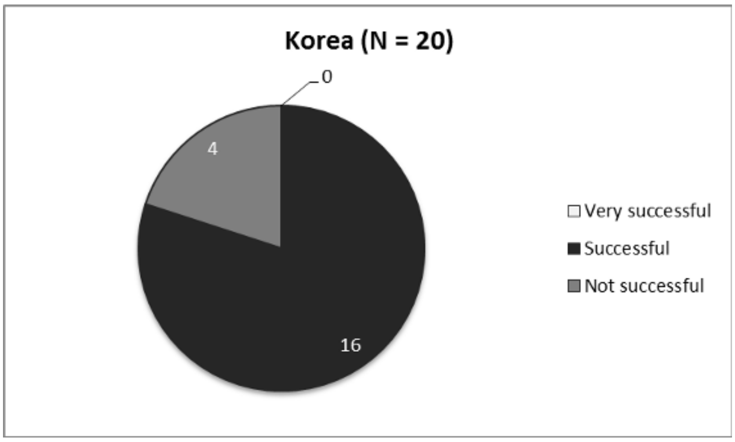
2. Policy Evaluation

2.1. Overall Evaluation

Figure 8-4 shows the survey results of the overall assessment of related policies. Sixteen out of twenty respondents (80 percent) indicate a positive result ('successful'), with none evaluated the policies as 'very successful'.

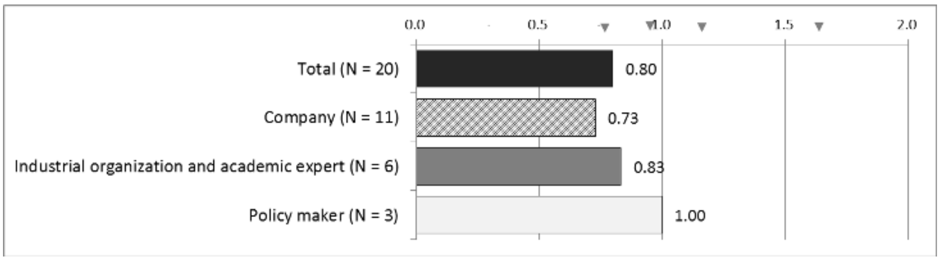
Figure 8-5 shows the score for each respondent category, indicating the gap between stakeholders.

Figure 8-4: Overall Assessment of Content Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 8-5: Overall Assessment of Content Policies: Score per Respondent Category



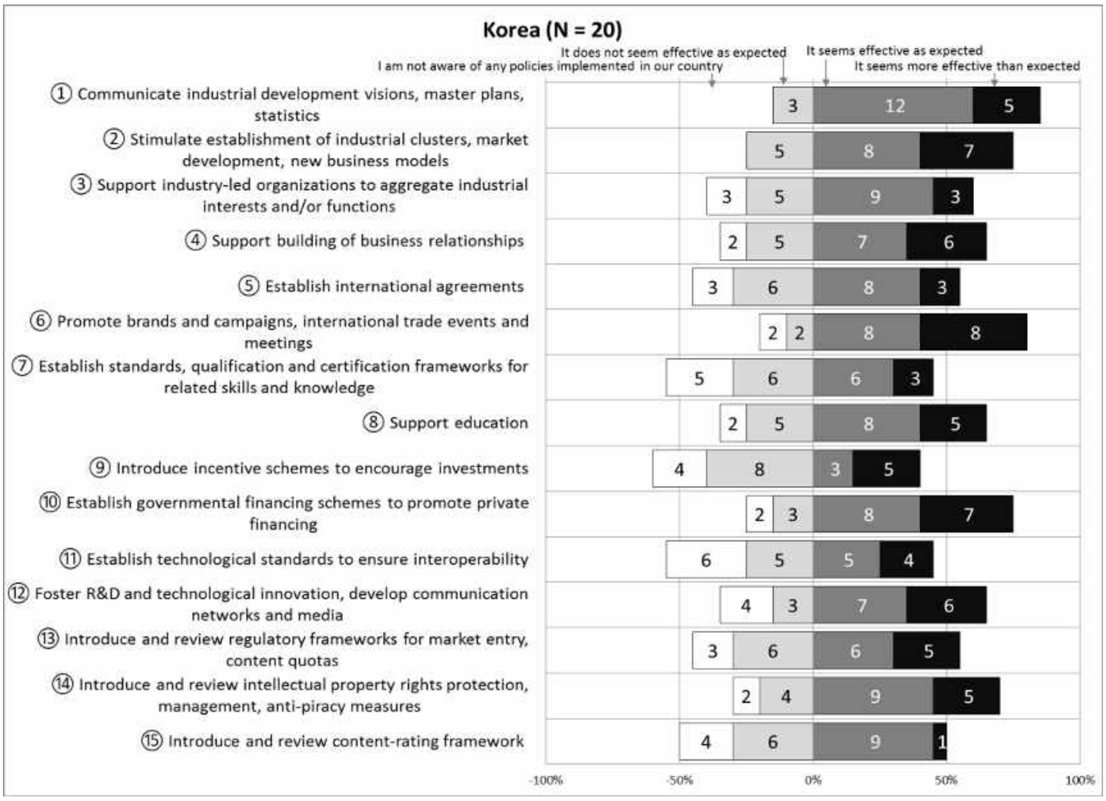
Note: Figures indicate weighted average of number of respondents and weight (very successful = 2, successful = 1, not successful = 0).
Source: Evaluation Survey of Content Industry Promotion Policies.

2.2. Effectiveness of Current Policies

Figure 8-6 shows the survey results on the awareness of effectiveness of each policy. The results indicate the respondents' awareness of how the policies meet their expectations. All the policies, except for #7 (Establish standards, qualification and certification frameworks for related skills and knowledge), #9 (Introduce incentive schemes to encourage investments), #11 (Establish technological standards to ensure interoperability), #15 (Introduce and review content-rating framework), are supported by the majority of respondents. Policy #6 (Promote brands and campaigns) gathered most votes for effectiveness beyond expectation.

Policy #9 (Introduce schemes to encourage investments) has the most negative votes, which corresponds to the weakness of accessibility to and availability of financial services (see Section 1.1). Therefore, the means of raising funds need to be improved through government intervention or other approaches.

Figure 8-6 : Policy Effectiveness



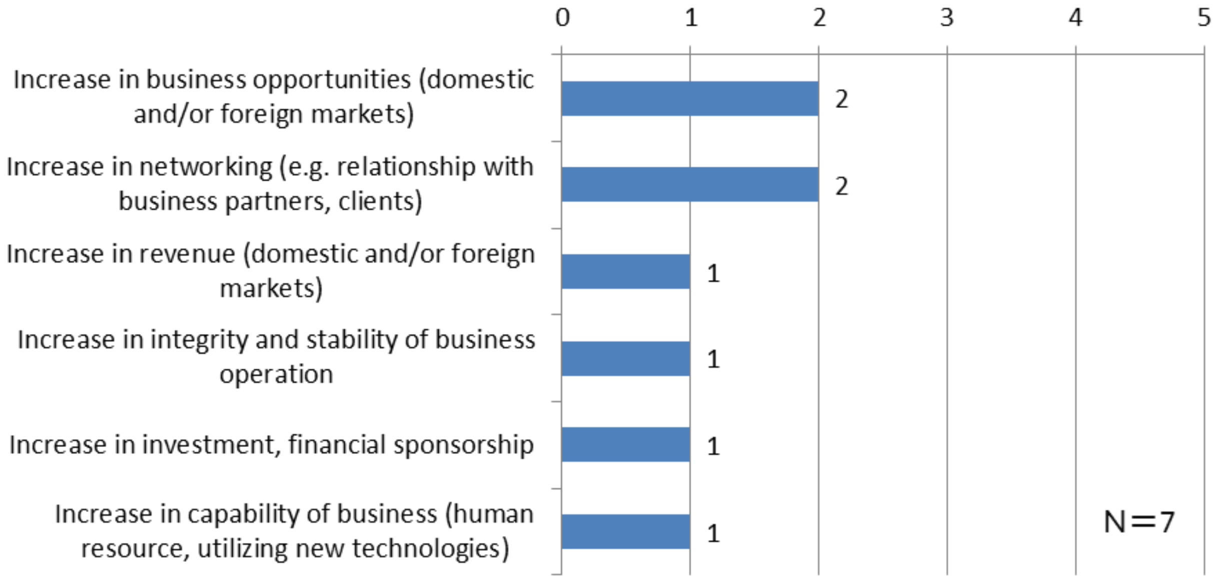
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 8-7 shows, in descending order, the policies considered to be highly effective. Policy #6 (Promote brands and campaigns, international trade events and meetings) has the most votes. Figure 8-8 describes the effects and outcomes resulting from #6. Most respondents have enjoyed increased business opportunities and network.

Figure 8-7: Policies Regarded as Effective

Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 8-8: Effects and Outcomes as a Result of for Policy #6
(Promote brands and campaigns, international trade events and meetings)

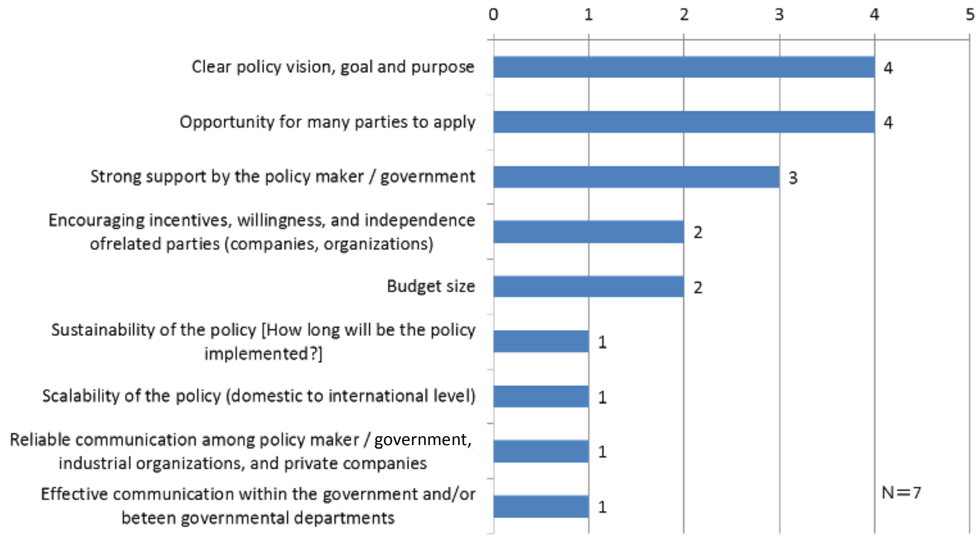


Source: Evaluation Survey of Content Industry Promotion Policies.

2.3. Key Success Factor

Figure 8-9 shows what respondents consider an important element (key success factor) for maximising the effectiveness of policy #6 (Promote brands and campaigns, international trade events and meetings). The respondents consider 'definite policy vision, goal and purpose' and 'opportunity for many parties to apply' important factors.

Figure 8-9: Key Success Factor of Policy #6
(Promote brands and campaigns, international trade events and meetings)

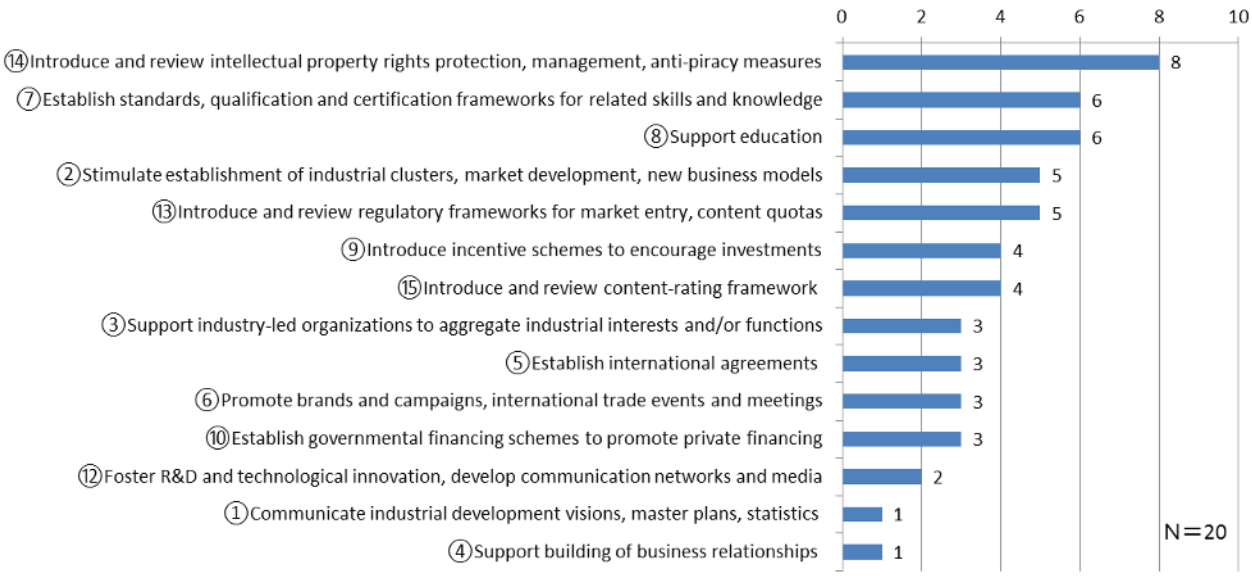


Source: Evaluation Survey of Content Industry Promotion Policies.

2.4. Challenges

Figure 8-10 shows the policies considered to face challenges. Policy #14 (Protect intellectual property rights) has the majority of votes. Figure 8-11 shows the difficulties and constraints of #14, where 'subject/entity of the policy' is considered the most difficult element.

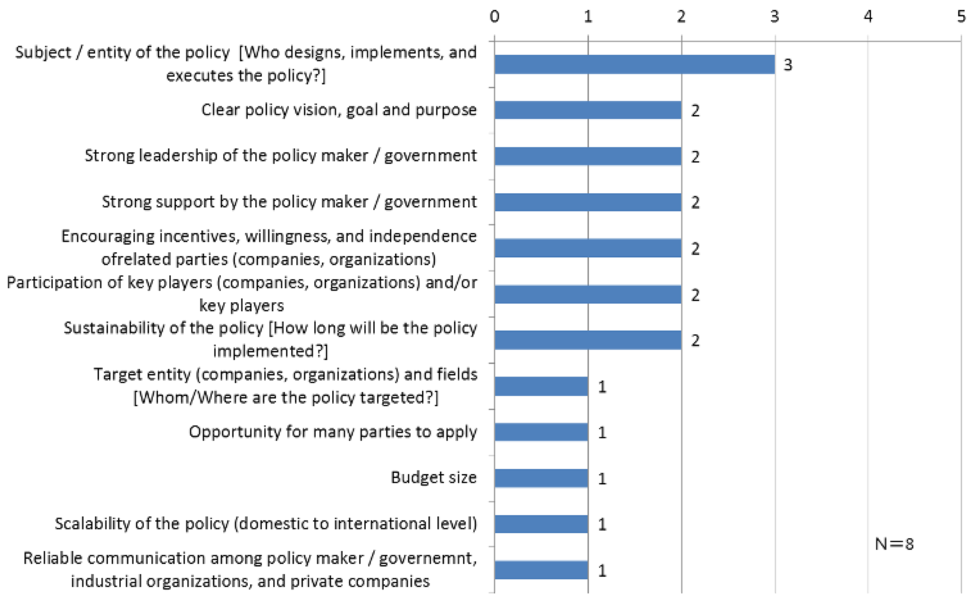
Figure 8-10: Policies Needing Improvement



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 8-11: Difficulties and Constraints of Policy #14

(Introduce and review intellectual property rights protection, management, and anti-piracy measures)



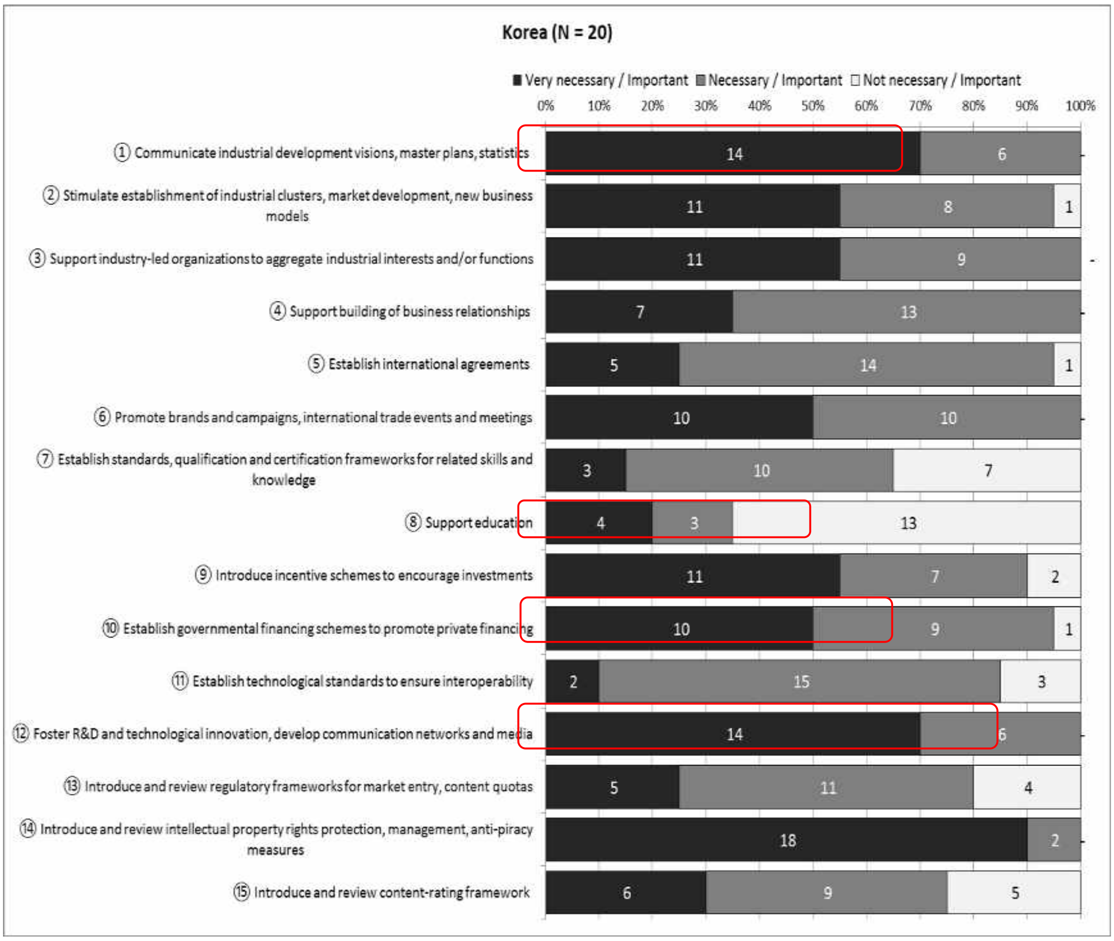
Source: Evaluation Survey of Content Industry Promotion Policies.

2.5. Necessity of Current Policies and Expectations

Figure 8-12 shows the survey results on necessity of policy. Considered most necessary are #14 (Protect intellectual property rights), #1 (Communicate industrial development visions, master plans, statistics), and #12 (Foster research and development and technological innovation, develop communication networks and media).

Figure 8-13 shows the respondents' expectations of policies, irrespective of current implementation. The majority of respondents expect an increase in business opportunities.

Figure 8-12: Necessity of Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

2.1. Policy Prioritisation

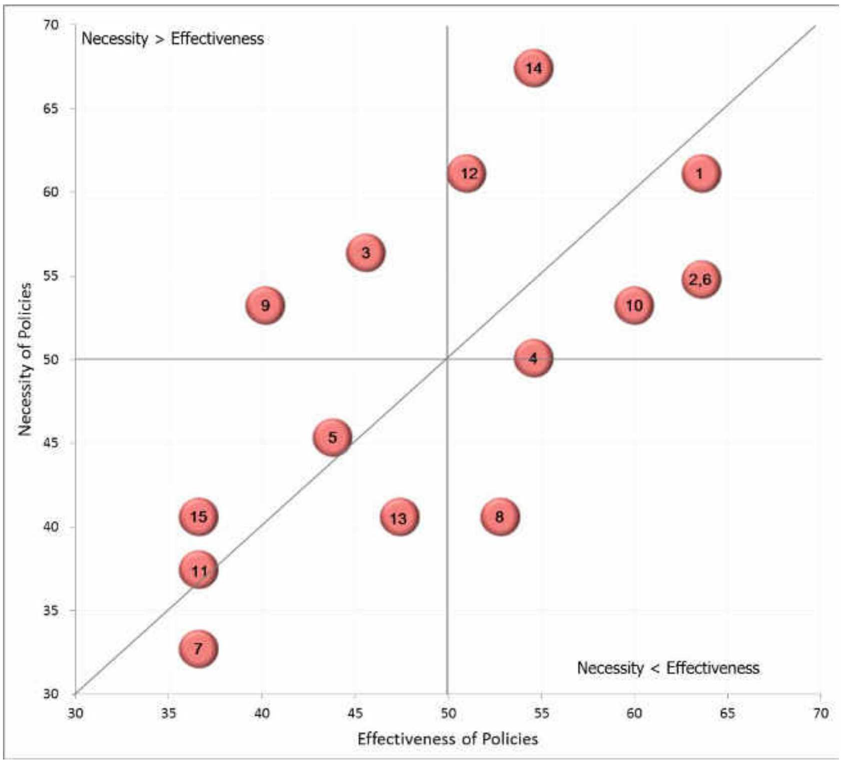
Figure 8-14 maps the effectiveness and necessity of each policy. The results are converted into deviation values to relatively map the results. Each plot describes the policy activity. Overall, policies in Korea seem to be relatively efficient because plots representing each policy are close to the 45-degree line. Seven policies have higher effectiveness than necessity. On the other hand, policies #3 (Support industry-led organisations to aggregate industrial interests and/or functions) and #9 (Introduce incentive schemes to encourage investments) are in high demand, but their effectiveness is not as high as the expectations.

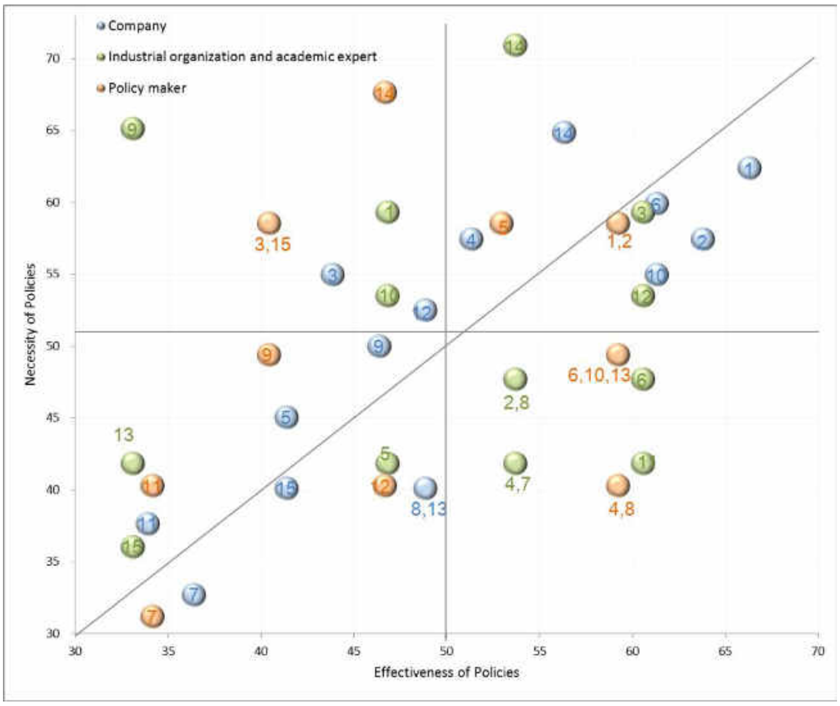
Figure 8-13: Expectations of Implemented Policies

Source: Evaluation Survey of Content Industry Promotion Policies.

Table 8-3 describes the results of the overall analysis. It provides the performance indicator for each policy activity, describing the priority level, or the relative distance between necessity and effectiveness (see Chapter 1 for a more detailed explanation of a performance indicator). The table also provides the coefficient of variation and a normalised measure of dispersion, which describe the variance among respondent categories. The results show that policies #9 and #14 (Protect intellectual property rights) have high priority for improvement

Figure 8-14: Effectiveness vs. Necessity of Policies (above: average, below: by category)





Source: Evaluation Survey of Content Industry Promotion Policies.

Table 8-3: Results of Policy Evaluation Analysis

Policy Area	Policy Activities	Performance	CV Effectiveness, %	CV Necessity, %
Industry and Market Development	1. Communicate industrial development visions, master plans, statistics	1.7	14	3
	2. Stimulate establishment of industrial clusters, market development, new business-models	6.2	7	9
Organisational Schemes, Business Relationships	3. Support industry-led organisations in aggregating industrial interests and/or functions	- 7.7	18	3
	4. Support building of business relationships	3.1	6	17
International Relationships	5. Establish international agreements	- 1.1	10	15
	6. Promote brands and campaigns, international trade events and meetings	6.2	1	10
Human Resources	7. Establish standards, qualification and certification frameworks for related skills and knowledge	2.7	21	13
	8. Support education	8.6	8	8
Finance	9. Introduce incentive schemes to encourage investments	- 9.2	14	13
	10. Establish government financing schemes to promote private financing	4.7	11	4
Technology	11. Establish technological standards to ensure interoperability	- 0.6	29	4
	12. Foster research and development and technological innovation, develop communication networks and media	- 7.2	12	12
Legal Frameworks	13. Introduce and review regulatory frameworks for market entry, content quotas	4.8	23	9
	14. Introduce and review intellectual property rights protection, management, anti-piracy	- 9.1	8	4
	15. Introduce and review content-rating framework	- 2.9	10	22

CV = coefficient of variation (variation among respondent categories).

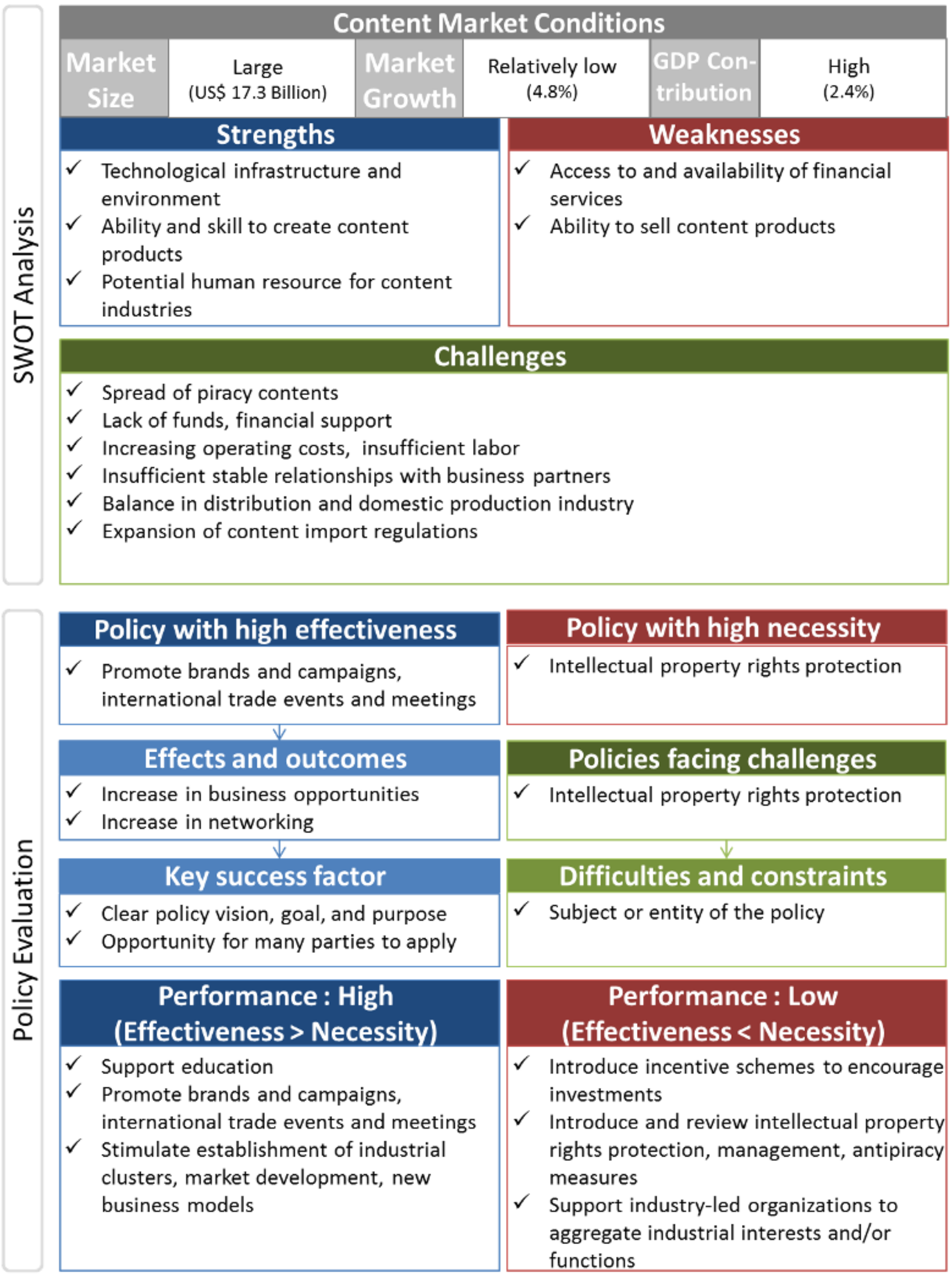
Note: 'Performance' indicates the relative distance where: (a) Figures above zero: Effectiveness outperforms necessity/expectation, (b) Figures below zero: Effectiveness underperforms necessity/expectation

Source: Authors based on Evaluation Survey of Content Industry Promotion Policies.

2. Summary

Figure 8-15 summarises the results.

Figure 8-15 : Overall Results: Korea



GDP = gross domestic product.

Source: Authors.

Korea has successfully developed the competitiveness of its content industry and driven the export market due to the international penetration of the 'Korean Wave'. It continues to boost the trend by designing initiatives for the entire industry and its sectors to enjoy further growth and development.

Korea has strengths in technological infrastructure environment and potential human resources to create content products. To leverage the strengths, government-supported promotion policies have increased business opportunities and networking for companies. Supporting education and stimulating the establishment of industrial clusters, market development, and new business models are high-performance policies.

Although the government has been laying the foundation to financially support investment to promote the growth of small firms, for instance, this is still recognised as the content industry's weakness. Policies introducing incentive schemes to encourage investment, therefore, have high priority for improvement. Similar to Japan's, Korea's content industry faces challenges regarding the spread of pirated content; thus, the need for anti-piracy measures has been strongly identified as a high priority. As a result of the rapid growth of Korea's content industry and market, the country seems to face issues related to balancing domestic production and purchase of imported products and the necessity of investing in domestic industry.

CHAPTER 9

Policy Evaluation: Malaysia

1. Strength/Weakness, Opportunity/Threat (SWOT) Analysis

1.1. Strengths and Weaknesses: Survey Results

Figure 9-1 shows strengths and weaknesses, and Figure 9-2, strengths and weaknesses by respondent category. The majority of respondents recognise 'technological infrastructure and environment' (7) as the industry's strength. An item that is more than 50 percent 'very strong' and 'strong' combined is considered a strength. The policy has the most votes from each respondent category and is strongly recognised by industrial organisations, academic experts, and policymakers.

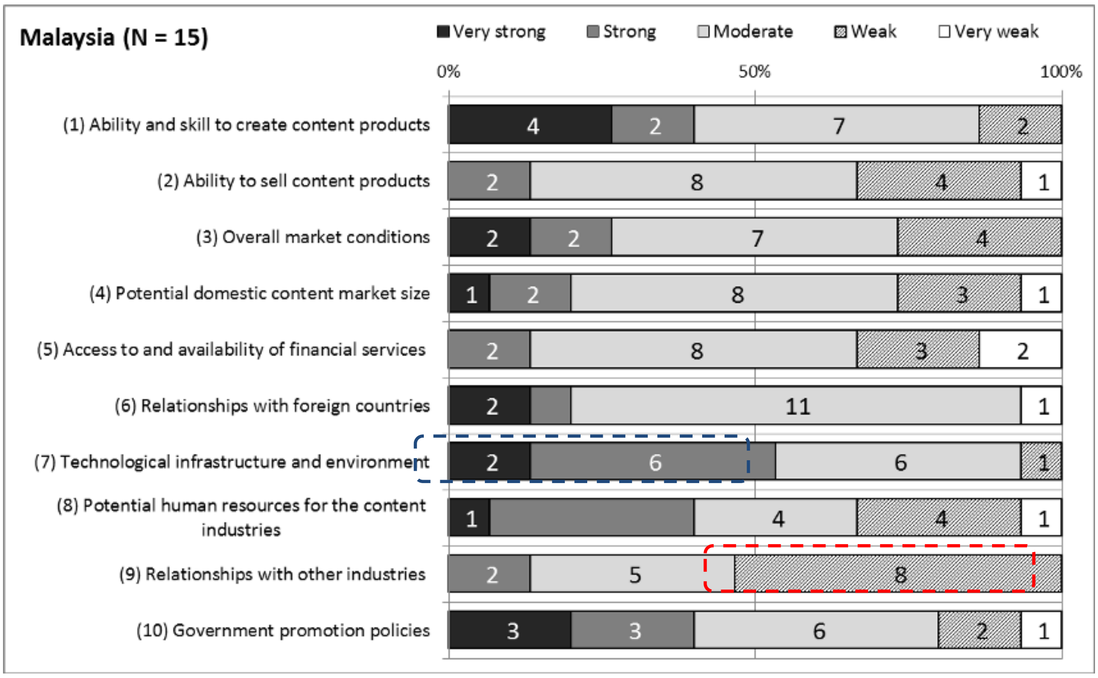
'Relationships with other industries' (9) is considered a weakness and strongly recognised as a weakness by policymakers. This is an important factor inducing ripple effects in other related industries, which, in turn, could enhance usage of content products. Overcoming this weakness would benefit not just the content industry but also other industries and the economy as a whole.

1.2. Current and Future Challenges

Figure 9-3 shows the results for current challenges facing the content industry. The votes are highest (11/14) for 'increase in cost of operations'. The rise of cost, however, is not just industry specific but a challenge that the economy currently faces.

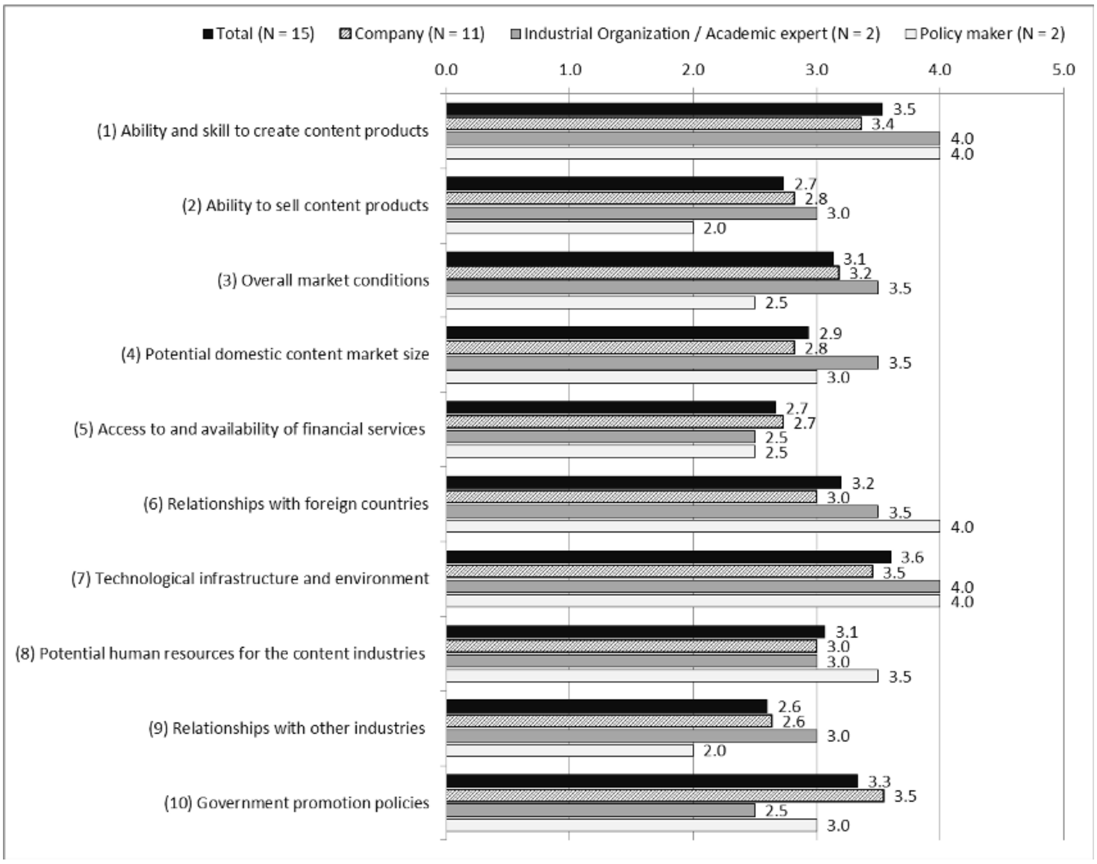
Some company respondents pointed out the need to build an industry ecosystem to overcome weakness in relationships with other industries (Table 9-1). Other respondents have pointed out concerns about capacity building.

Figure 9-1: Strengths and Weaknesses



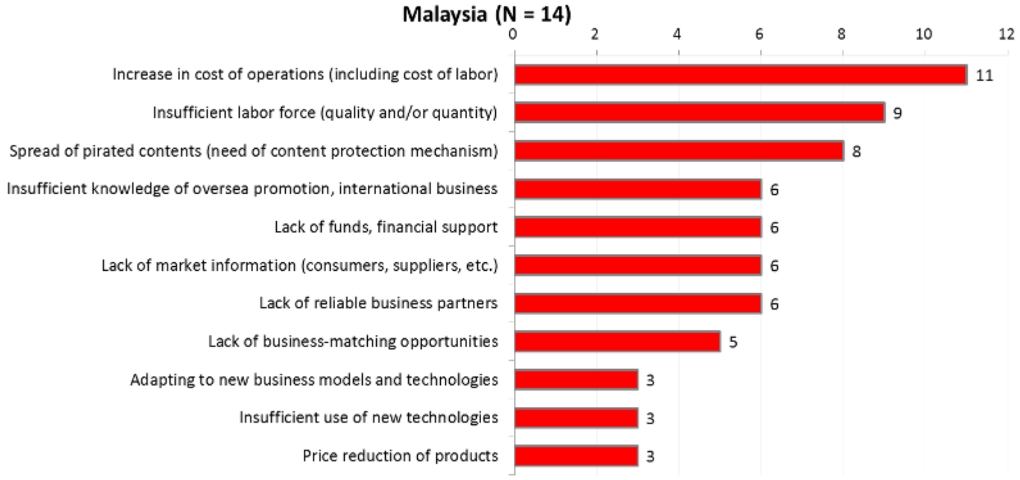
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 9-2: Strength and Weakness: Respondent Comparison



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 9-3 : Current Challenges



Source: Evaluation Survey of Content Industry Promotion Policies.

1.3. Strength/Weakness, Opportunity/Threat (SWOT) Analysis: Update of the FY2012 Report

The update of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report) (Table 9-2) takes into account the survey results and recent market trends (Chapter 2) and policies (Chapter 4).

With strong government support, Malaysia has strengths in technological infrastructure and environment, and ability and skill to create content products, which account for its growing presence in overseas markets for animation and live action.

The content industry's lack of relationships with other countries, however, is considered a weakness and strongly recognised as such by policymakers. Although Malaysia considers its potential human resources for the content industry a strength, it is seeing higher cost of production, including cost of labour, as well as an insufficient labour force.

Despite having a relatively small domestic market, Malaysia can expect positive economic effect from the launch of terrestrial digital broadcasting starting 2015, which gives people greater access to a wider variety of content.

Table 9-1: Free Descriptive Answers Regarding Current and Future Challenges

Category	Comment
Company	● (1) Lack of content industry ecosystem (2) Necessity of integrating industries to ensure that other industries will play a role in the activity, and government initiatives to establish an effective mechanism to stimulate activity. (Government will stimulate the content industry. The media industry will create the content industry image and market demand. Manufacturing and the retail industry will participate in the content industry. Consumers will support the Malaysian industry.) [1,3,4/1,2,4,5] ● Necessity of building a strong ecosystem, from product development to distribution to licensing. Ability to create a strong brand out of good content [1,2,3/1,2,4,5] ● Necessity of developing English-language capabilities, understanding that management skills need to be significantly improved across the board, and understanding how to work with other partners in a complementary manner. At the government level, the need to enable and empower companies to create an environment that develops world-class talent through continuous incentive support. Co-production treaties are critical. [1,2,3/1,2,4] ● Changes in the market are very fast and good people are needed to adapt and capitalise on the changes. [4/1,5] ● Because technology is advancing so quickly, young people do not need too much training. Instead, there is a need to go back to the basics, i.e. to emphasise story and visual development, which is the only way to be on a level playing field with international players. There is a need to look into Malaysia's vast storehouse of legends and myths, which should be taught in schools, including higher learning institutions. Characters from local stories need to be adapted to a contemporary context. Students need to be guided by international experts so they become effective storytellers with an international outlook. [1,2,3,5/1,2,3] ● (1) Difficulty in fund raising (2) Inability to recoup investment for Asian-focused content. Although Asian users and broadcasters favour localised content, it is difficult for producers to recoup investments with the current low licence fee structure offered by Asian buyers. [2,3,4,5/1,2,4,5] ● Difficulty in adapting to rapidly changing content-consuming patterns [1,2/3,4,5,6] ● Difficulty in acquiring sufficient content funding [-/4,7]
Industrial Organisation, Academic Expert	● Not up to international standards because of very low market costs (budget) of local content [1,2,3,4/7] ● Difficulty in retaining good, skilled players [1,2,3,4/7] ● From an academic point of view, lack of funding due to limited industry players to reach out to and get support from [1,2,3,4/7]
Policymaker	● The main challenge is educating content business owners to understand the content business, as many of them are not creative.

Note: Numbers after each comment describe the sector and operation the respondent is engaged in; [1 = TV programme, 2 = film, 3 = animation, 4 = games, 5 = music, '-' = no response /; 1 = production, 2 = post-production, 3 = broadcasting, 4 = distribution, 5 = sales, 6 = purchase/aggregation, 7 = manufacturing, '-' = no response]

Source: Evaluation Survey of Content Industry Promotion Policies.

Table 9-2: SWOT Analysis: Malaysia

<table>
<tr><th colspan="2">Internal</th></tr>
<tr><td>Strengths
● Technological infrastructure and environment
● Ability and skill to create content products
● Strong government support for developing the creative content sector (national policy, developmental programmes, grants, and incentives)
● Availability of raw talent that can be trained
● Growing presence in the international market as a regional player for certain content (e.g. animation and live action production)
● Active overseas promotion of industry players capable of meeting the global market’s needs</td><td>Weaknesses
● Lack of close relationships with other industries
● Insufficient human resources for production
● Limited access to and availability of financial services
● Increase in cost of operations
● Necessity of expanding investment due to rising production costs and limited budget
● Limited growth of new platforms and services (e.g. IPTV) due to dominance of satellite broadcasting
● Limited successful cases</td></tr>
<tr><td>Opportunities
● Relatively high GDP per capita
● Development in Internet infrastructure, including mobile
● Transition toward digital terrestrial broadcasting
● Strong connections with Islamic nations</td><td>Threats
● Limited size of domestic market
● Brain drain (not limited to content industry)
● Comfort zone mentality</td></tr>
<tr><td colspan="2">External</td></tr>
</table>

GDP = gross domestic product; SWOT = strength/weakness, opportunity/threat.
Source: Authors.

2. Policy Evaluation

2.1. Overall Evaluation

Figure 9-4 shows the survey results of the overall assessment of related policies. Eight out of twelve respondents (66 percent) indicated a positive (‘successful’) response, although none gave a ‘very successful’ evaluation.

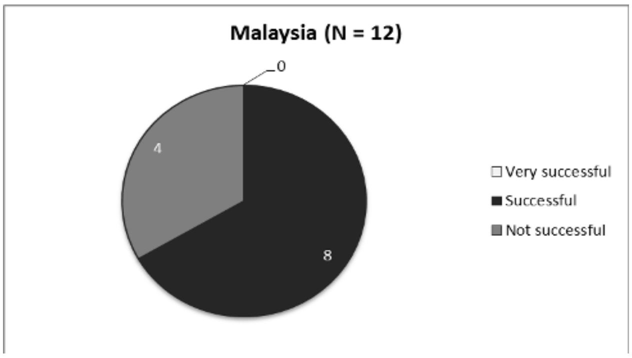
Figure 9-5 shows the score for each respondent category, indicating the gap between stakeholders.

2.2. Effectiveness of Current Policies

Figure 9-6 shows the survey results on awareness of effectiveness of each policy. The results indicate the respondents’ awareness of how the policies meet their expectations. The majority of respondents support #3 (Support industry-led organisations in aggregating industrial interests and/or functions), #4 (Support building of business relationships), #6 (Promote brands and campaigns, international trade events and meetings), #7 (Establish standards, qualification and certification frameworks for related skills and knowledge), #8 (Support education), #9 (Introduce incentive schemes to encourage investments), #10 (Establish government financing schemes to promote private financing), and #14 (Introduce and review intellectual property rights protection, management, anti-piracy measures).

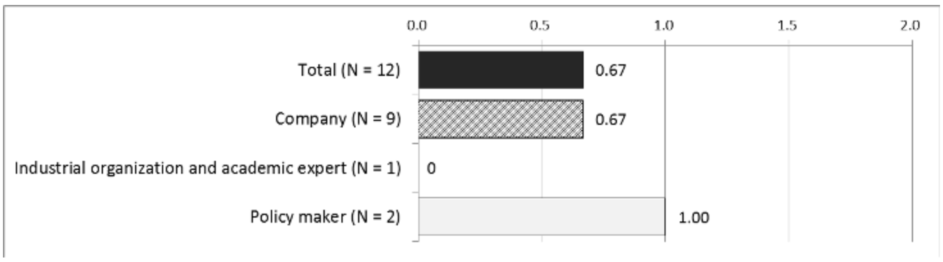
The most negative votes go to #12 (Foster research and development and technological innovation, develop communication networks and media). This suggests that although one of Malaysia's strengths is 'technological infrastructure and environment' (Section 1.1), respondents expect to further strengthen it through policy activities.

Figure 9-4: Overall Assessment of Content Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

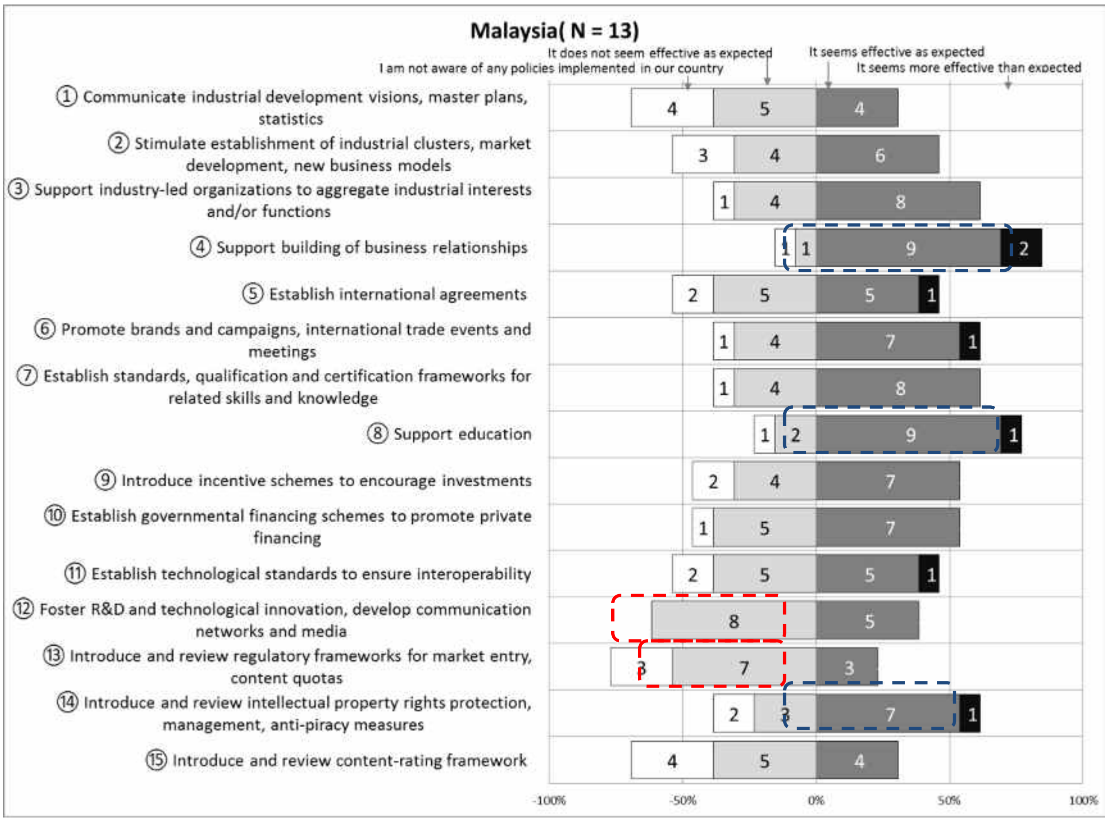
Figure 9-5: Overall Assessment of Content Policies: Score per Respondent Category



Note: Figures indicate weighted average of number of respondents and weight (very successful = 2, successful = 1, not successful = 0).

Source: Evaluation Survey of Content Industry Promotion Policies.

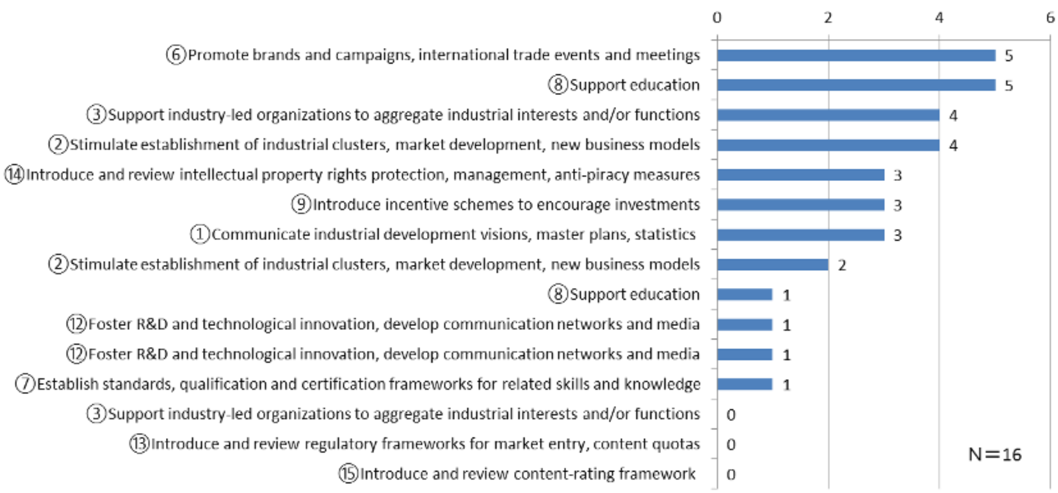
Figure 9-6: Policy Effectiveness



Source: Evaluation Survey of Content Industry Promotion Policies.

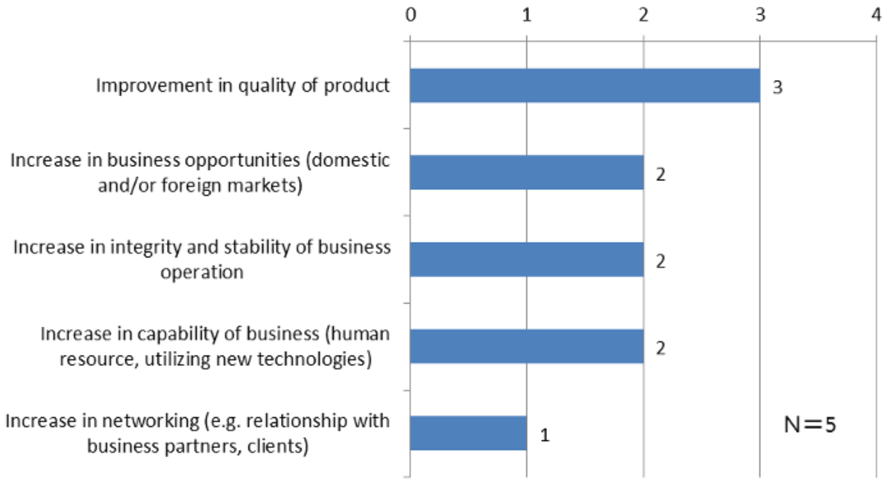
Figure 9-7 shows, in descending order, the policies considered to be highly effective. Policies #6 (Promote brands and campaigns, international trade events and meetings) and #8 (Support education) have the most votes. Figure 9-8 describes the effects and outcomes resulting from policy #8.

Figure 9-7: Policies Regarded as Effective



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 9-8: Effects and Outcomes as a Result of Policy #8 (Support education)

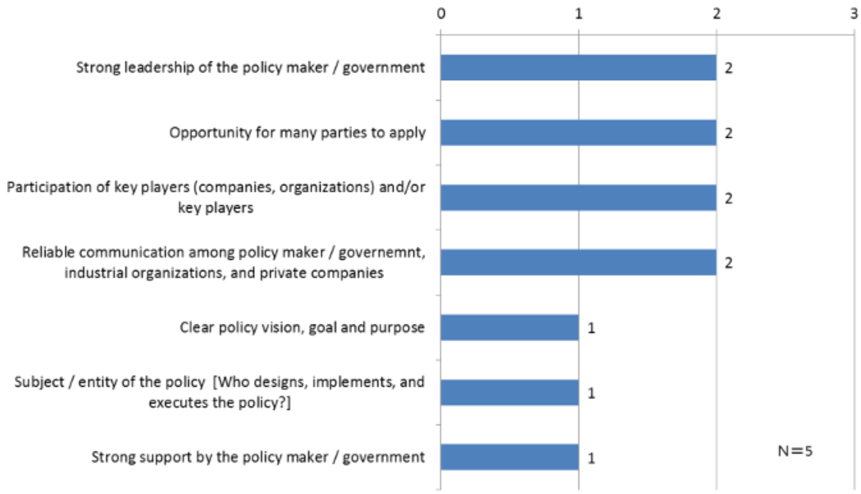


Source: Evaluation Survey of Content Industry Promotion Policies.

2.3. Key Success Factor

Figure 9-9 shows what respondents consider an important element (key success factor) for maximising the effectiveness of policy #8 (Support education).

Figure 9-9: Key Success Factor for Policy #8 (Support education)



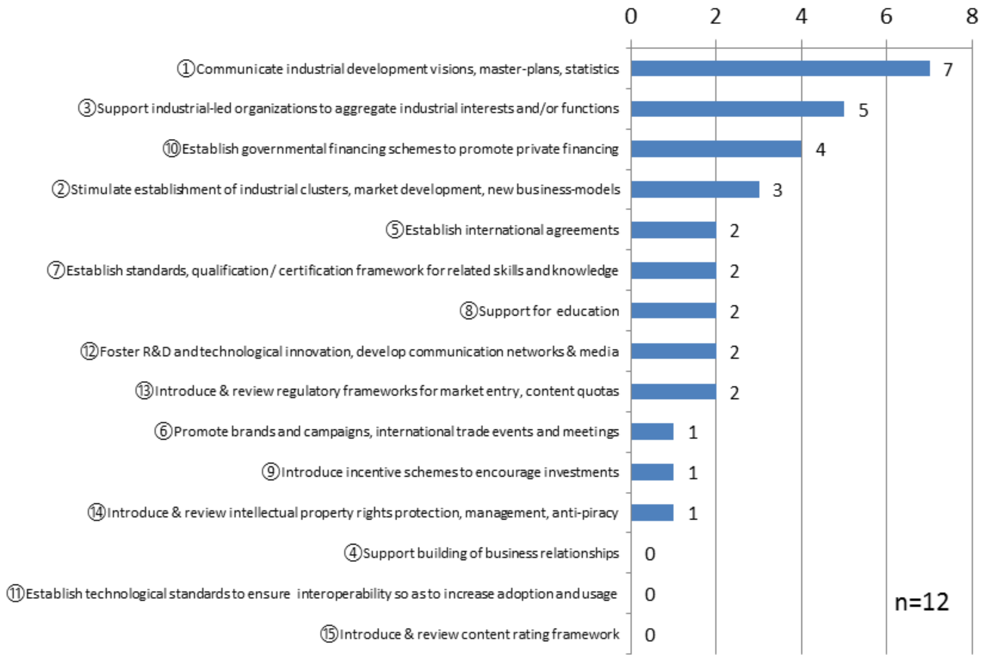
Source: Evaluation Survey of Content Industry Promotion Policies.

2.4. Challenges

Figure 9-10 shows the policies considered to face challenges. Policy #1 (Communicate industrial development visions, master plans, statistics) has the most votes.

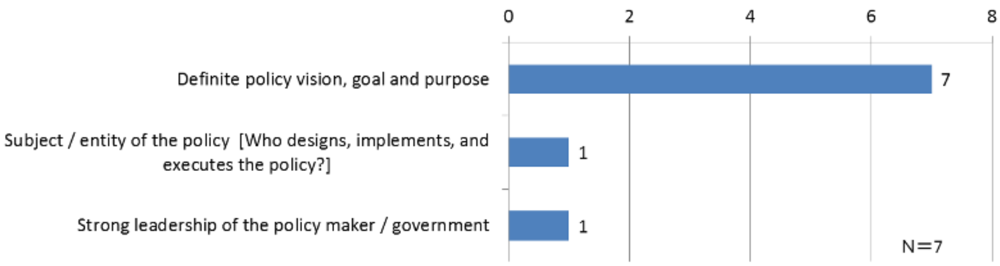
Figure 9-11 shows the difficulties and constraints of #1, which all respondents think are lack of definite policy vision, goal, and purpose.

Figure 9-10: Policies Needing Improvement



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 9-11: Difficulties and Constraints of Policy #1
(Communicate industrial development visions, master plans, statistics)



Source: Evaluation Survey of Content Industry Promotion Policies.

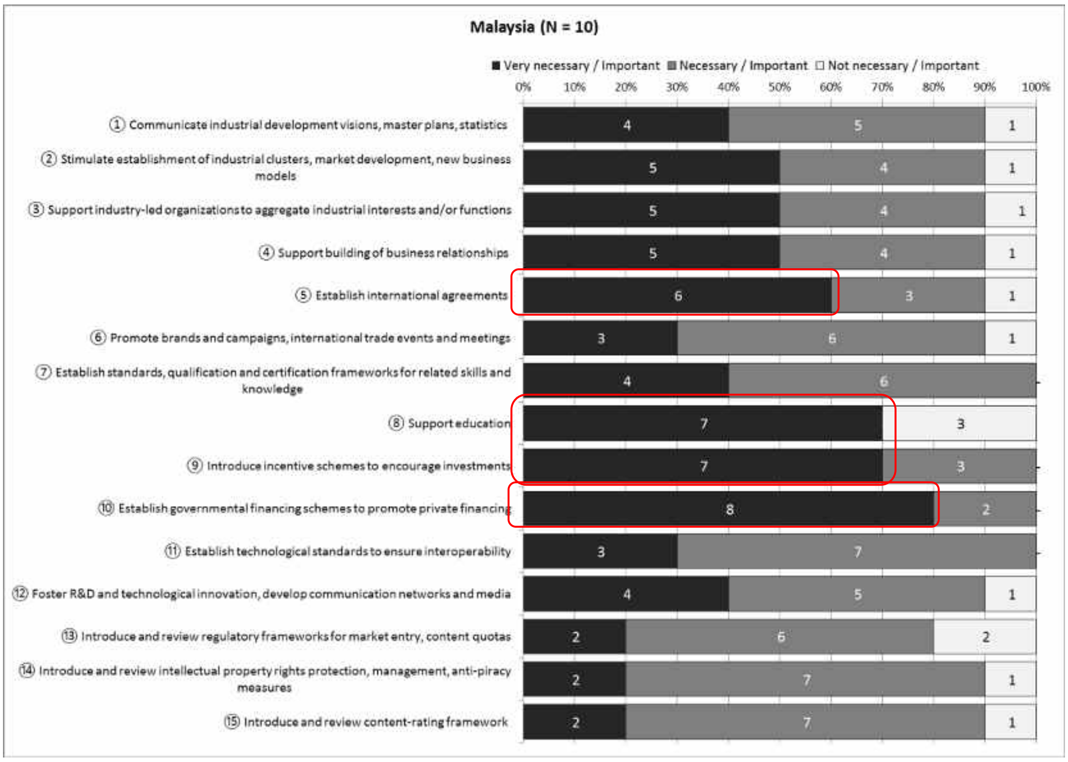
2.5. Necessity of Current Policies and Expectations

Figure 9-12 shows the survey results on necessity of policy implementation. Policy #10 (Establish government financing schemes to encourage investments)[1] had the highest

[1] The current tax incentive scheme in the Malaysian film sector is a typical example of a policy activity.

votes (very necessary/important). Policies #8 (Support education), #9 (Introduce incentive schemes to encourage investments), and #5 (Establish international agreements) also had the majority of votes.

Figure 9-12: Necessity of Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 9-13: Expectations of Implemented Policies

Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 9-13 shows the respondents' expectations of policies, irrespective of current implementation. The majority of respondents expect an increase in revenues, business opportunities, and investment and financial sponsorship.

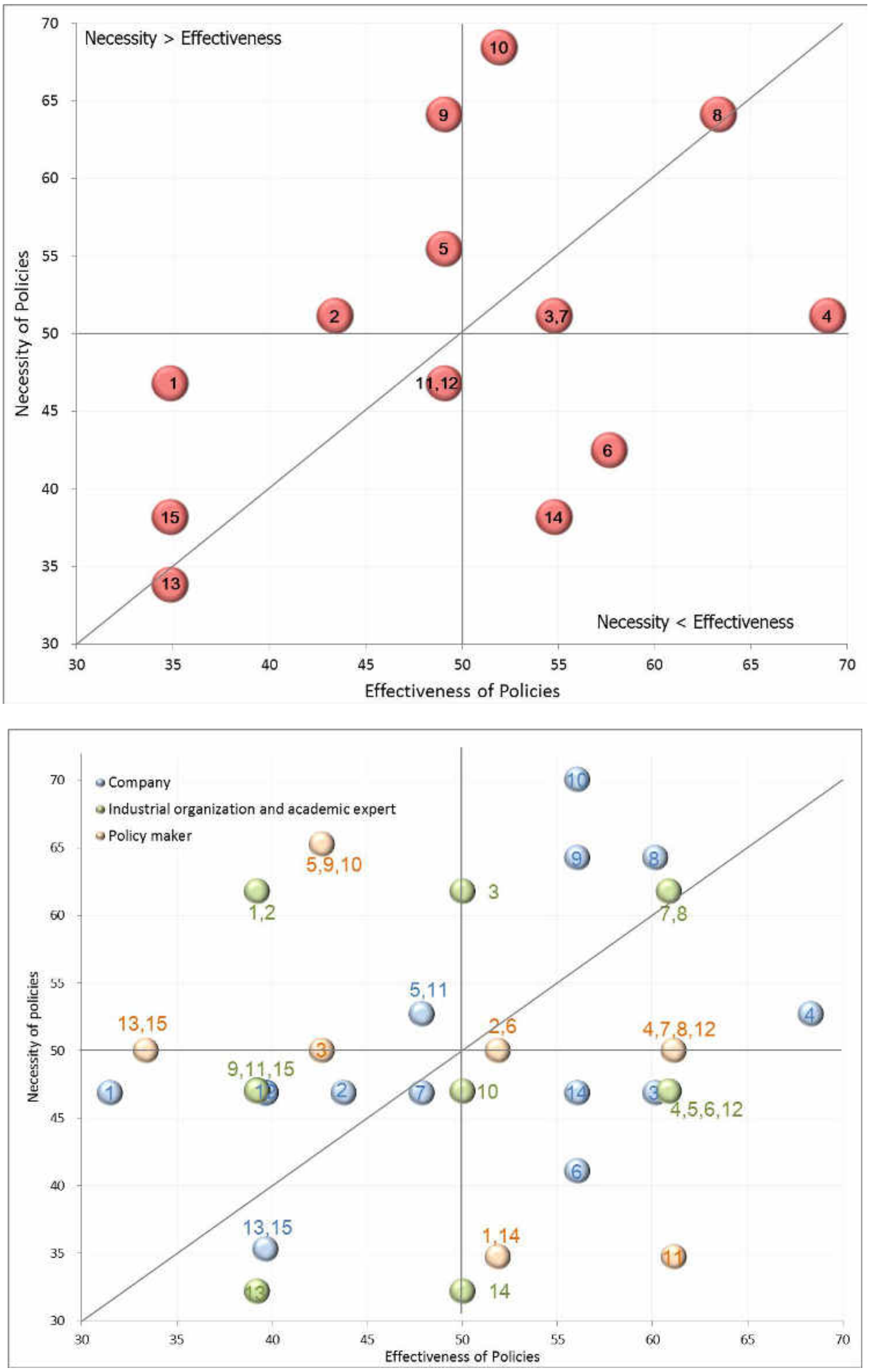
2.6. Policy Prioritisation

Figure 9-14 maps the effectiveness and necessity of each policy. The results are converted into deviation values to relatively map the results. Each plot describes the policy activity. Policies #2 (Stimulate establishment of industrial clusters, market development, new business models), #5 (Establish international agreements), and #9 (Introduce incentive schemes to encourage investments) are in high demand, although their effectiveness does not seem to meet expectations. The evaluation for #9 varies among respondent categories.

Table 9-3 describes the overall analysis results. It provides the performance indicator for each policy activity, describing the priority level, or the relative distance between necessity and effectiveness (see Chapter 1 for a more detailed explanation of a performance indicator). The table also provides the coefficient of variation and a normalised measure of dispersion, which describes the variance among respondent categories. The results show that #9 and #10 have high priority for improvement.

Figure 9-14: Effectiveness vs. Necessity of Policies

(above: average, below: by category)



Source: Evaluation Survey of Content Industry Promotion Policies.

Table 9-3: Analysis Results of Policy Evaluation

Policy Area	Policy Activities	Performance	CV Effectiveness, %	CV Necessity, %
Industry and Market Development	1. Communicate industrial development visions, master plans, statistics	- 8.5	21	23
	2. Stimulate establishment of industrial clusters, market development, new business models	- 5.5	12	12
Organisational Schemes, Business Relationships	3. Support industry-led organisations in aggregating industrial interests and/or functions	2.5	14	12
	4. Support building of business relationships	12.6	5	5
International Relationships	5. Establish international agreements	- 4.5	15	14
	6. Promote brands and campaigns, international trade events, and meetings	10.7	7	8
Human Resources	7. Establish standards, qualification and certification frameworks for related skills and knowledge	2.5	11	12
	8. Support education	- 0.6	1	11
Finance	9. Introduce incentive schemes to encourage investments	- 10.7	16	14
	10. Establish government financing schemes to promote private financing	- 11.7	11	16
Technology	11. Establish technological standards to ensure interoperability	1.6	18	17
	12. Foster research and development and technological innovation, develop communication networks and media	1.6	19	3
Legal Frameworks	13. Introduce and review regulatory frameworks for market entry, content quotas	0.7	8	20
	14. Introduce and review intellectual property rights protection, management, anti-piracy measures	11.7	5	17
	15. Introduce and review content-rating framework	- 2.4	8	14

CV = coefficient of variation (variation among respondent categories).

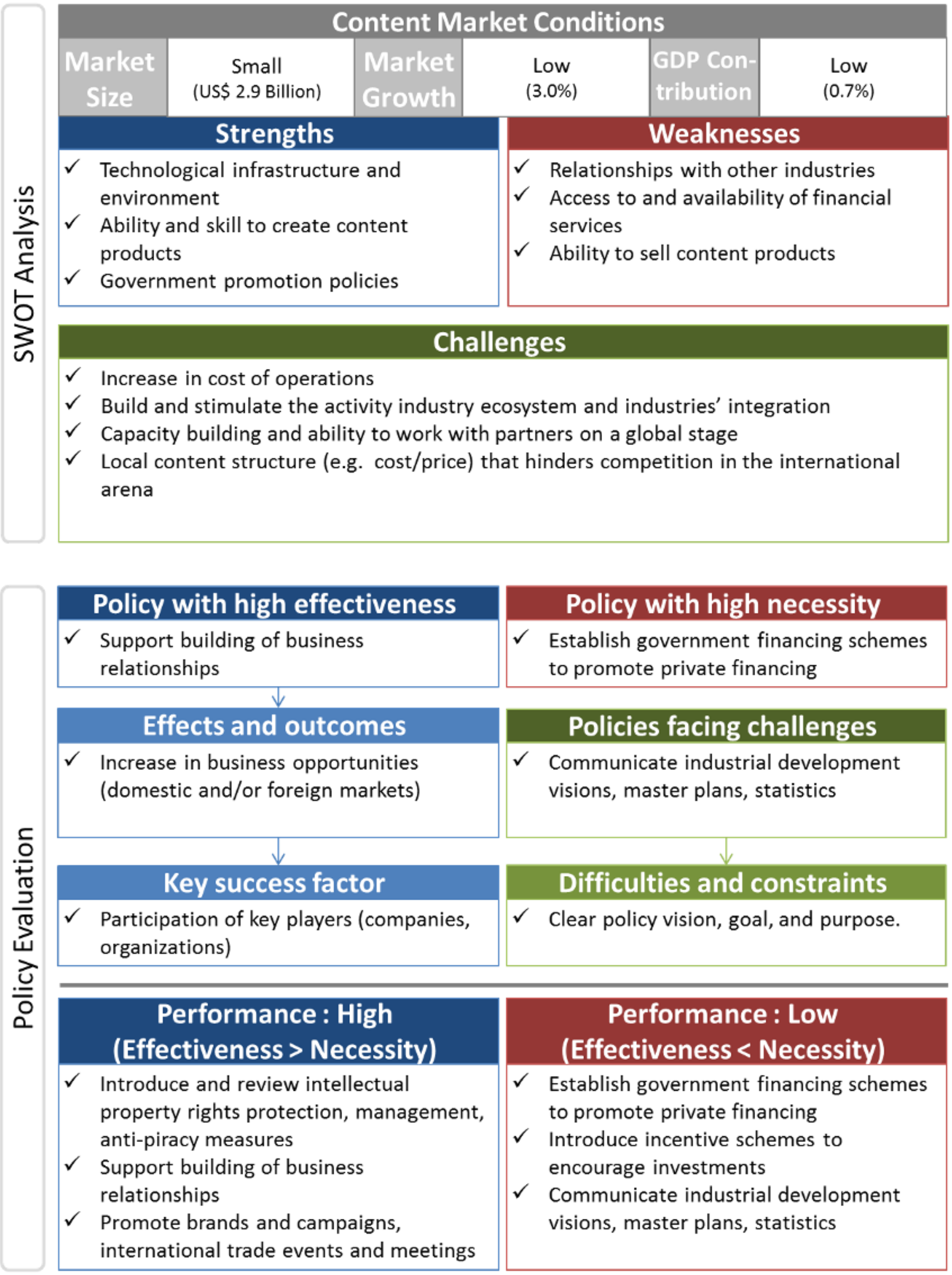
Note: 'Performance' indicates the relative distance where: (a) Figures above zero: Effectiveness outperforms necessity/expectation; (b) Figures below zero: Effectiveness underperforms necessity/expectation.

Source: Authors based on Evaluation Survey of Content Industry Promotion Policies.

3. Summary

Figure 9-15 summarises the results.

Figure 9-15 : Overall Results: Malaysia



Source: Authors.

Under initiatives such as Digital Malaysia, a programme that aims to turn Malaysia into a developed digital economy by 2020, the country has been focusing on building strengths in technological infrastructure environment, and the ability and skills to create content products. With continuous efforts of organisations such as Multimedia Development Corporation, support for building business relationships is recognised as an effective policy that provides companies with business opportunities. As efforts to promote brands and campaigns have been successful, these outcomes seem to correspond to the sectors' awareness of recognising government promotion policies as the country's strength, which is unique among member countries.

Although Malaysia is one the fastest developing countries in the region, the growth of its content market is almost as low as that of Japan, Korea, and Singapore. The content industry's gross domestic product contribution is also relatively low, which may explain its weak relationship with other industries. To build an industry ecosystem and make the best use of content, the industry should meet the challenges of communicating industrial development visions, master plans, and statistics. It should also play an important role in creating a higher value-added economy. As Malaysia faces rapid changes in the business environment, such as increasing operation costs, including the cost of producing local content, there is high demand for and high priority on financial schemes to promote the content industry. Clear policy vision and goals are needed for effective policy implementation.

CHAPTER 10

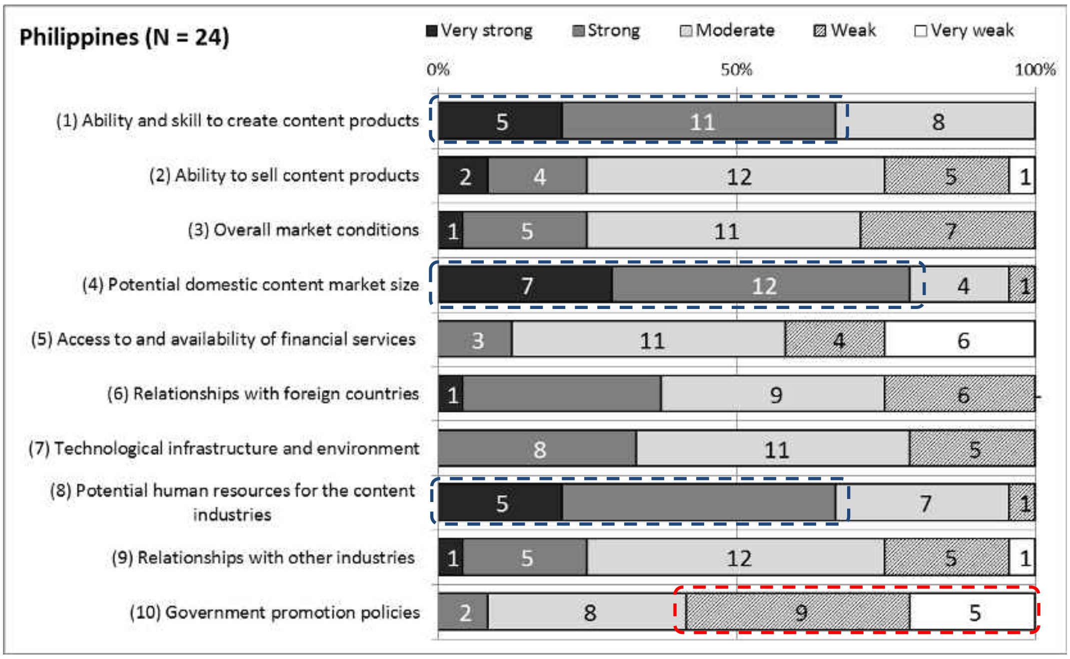
Policy Evaluation: Philippines

1. Strength/Weakness, Opportunity/Threat (SWOT) Analysis

1.1. Strengths and Weaknesses

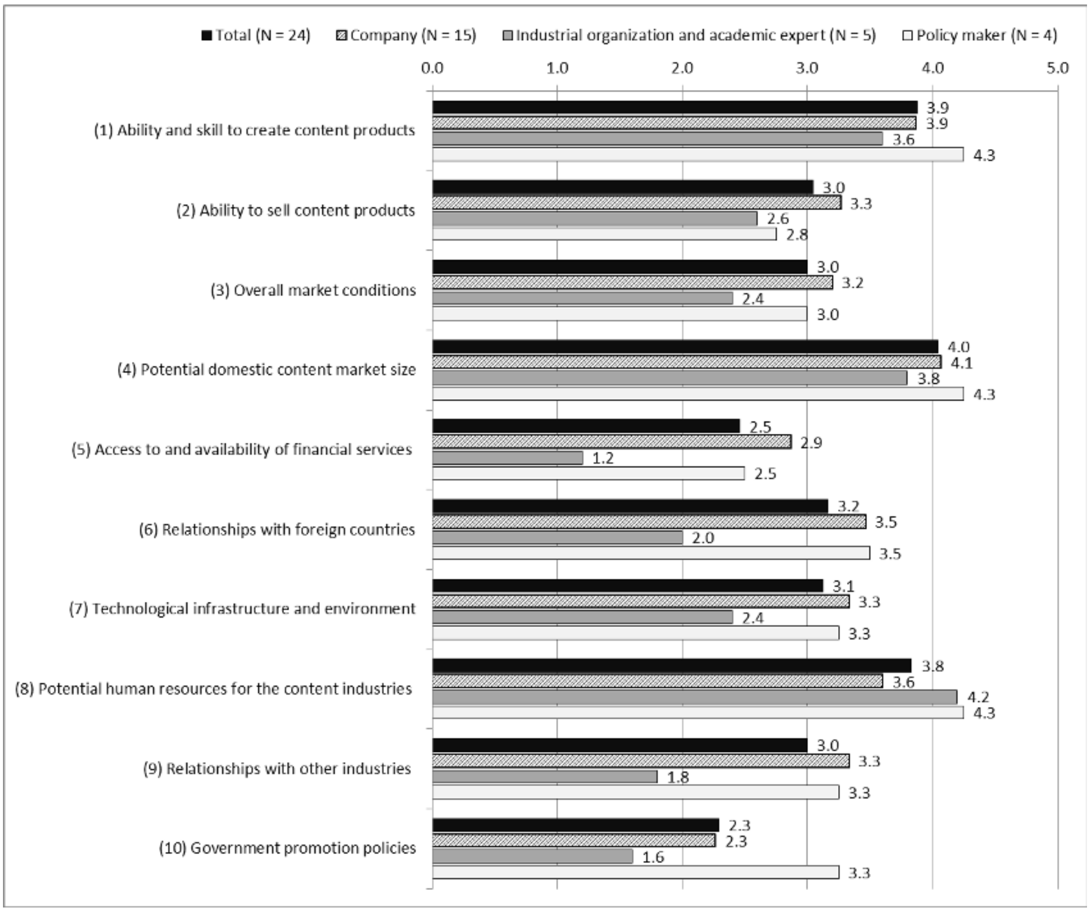
Figure 10-1 shows strengths and weaknesses, and Figure 10-2, strengths and weaknesses by respondent category. The majority of respondents recognise 'ability and skill to create content products' (1), 'potential domestic content market size' (4), and 'potential human resources for content industries' (8) as the industry's strengths, where 'very strong' and 'strong' combined exceed 50 percent. The majority of respondents consider 'government promotion policies' (10) a weakness; it was scored lowest by company respondents because, it is assumed, the country does not have a government body responsible for developing the content industry. Figure 10-2 shows 'accessibility and availability of financial services' (5) to have the lowest score among industrial organisations and academic experts.

Figure 10-1: Strength and Weakness



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 10-2: Strength and Weakness: Respondent Comparison



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 10-3: Current Challenges

Source: Evaluation Survey of Content Industry Promotion Policies.

Table 10-1: Free Descriptive Answers Regarding Current and Future Challenges

Category	Comment
Company	● Lack of government support in making the industry internationally competitive [5/1] ● No support for the local music industry [1,5/1,2,3,4,5] ● The Philippines is not ready for ASEAN integration because its creative industry is immature. [3/1,2,3] ● The presence of several big companies in the industry makes it hard for smaller companies to catch up. There is also no support from government or trade organisations. [1,2,3,4/1,2] ● The industry is growing but there is little support from government. [4/1,2] ● The music industry has never been well supported by the public or the government, resulting in an increase in music piracy. The music industry is trying to digitalise with iTunes, for example, but the process is long and expensive. Even then, there is no guarantee of revenue. [5/1,2,3,4,5,6,7] ● Choosing to set up studios has its pros and cons: one drawback is the little support from the government for those working with clients from the United States or more developed countries in the region. [1,2,3,5/1,2,3,4] ● There are only a few reliable players in the industry. [2,3,4,5/1,2,3] ● The proposed ASEAN Economic Community will expose the weaknesses of the local content industry. [1,2,5/1,2,3,4,5,6,7] ● Trying to become international or regional in scope is very hard since there seems to be no model to follow. [4/1,2] ● Necessity of creating unique, creative, and original products, instead of being seen as a cheap work force for the Western content industry. Necessity of penetrating the international market and boosting consumer awareness of the region's content industry [4/1] ● On preparedness for ASEAN 2015: Will the company be competitive? Will this be an opportunity or a threat to the company? [-/1,2]
Industrial Organisation, Academic Expert	● There is little support from the government, and getting investments without such support is hard. Without investments, the industry will not prosper. [3,4/1,2,3,4,6] ● There is little support for the creative industry, especially for new areas such as animation and game design. [1,2,5/1,2,3,4,5,6] ● There is little support from the government, which is needed especially because regional integration is being planned. [1,2,3,4/1,2,3] ● The content industries in other Asian countries have a much better educated labour force. The Philippines is trying to catch up but still has a long way to go. [1,2,3,4,5/1,2,3]
Policymaker	● Continued growth in the content industry is foreseen, although development may not be at the same pace. ● With ASEAN integration, local companies will be forced to compete with those in more technologically and economically developed countries in the region.

Category	Comment
	● The problem of offline and online piracy continues to be the biggest challenge for the content industry, being a disincentive for artists to create new works. ● Sustainability and growth issues

Note: Numbers after each comment describe the sector and operation the respondent is engaged in. [1 = TV program, 2 = film, 3 = animation, 4 = games, 5 = music, '-' = no response /
1 = production, 2 = post-production, 3 = broadcasting, 4 = distribution, 5 = sales, 6 = purchase/aggregation, 7 = manufacturing, '-' = no response]
Source: Evaluation Survey of Content Industry Promotion Policies.

1.2. Current and Future Challenges

Figure 10-3 shows the results for current challenges facing the content industry. The most recognised issue is insufficient labour force, indicating challenges in leveraging the industry's strength in creativity and human resources to improve its labour force. Issues such as 'lack of funds, financial support', 'lack of reliable business partners', 'insufficient use of new technologies', and 'insufficient knowledge of overseas promotion, international business' also received the majority of votes.

Many respondents point out the need for government support (Table 10-1). Some comments include long-term perspectives, such as the sustainability of the industry and the necessity of doing business overseas.

1.3. Strength/Weakness, Opportunity/Threat (SWOT) Analysis—Update of the FY2012 Report

The update of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report) (Table 10-2) takes into account the survey results as well as recent market trends (Chapter 2) and policies (Chapter 4).

The Philippines considers strengths the potential size of its domestic market, ability and skills to produce content, and potential human resources for the content industry. Its competitiveness lies in people's potential. Based on its English-speaking business environment, the industry has become an important player in the value chain of content production, with partners such as the United States.

In terms of domestic industry development aimed at creating a mature industry and market, however, the Philippines faces several obstacles such as lack of government support and funding for overseas promotion. Although it is confident in its human resource potential and capacity, the industry has concerns regarding structural issues such as an insufficient labour force. Such issues are expected to be solved or the environment improved so that the content industry can benefit from opportunities created by the ASEAN Economic Community.

Table 10-2: SWOT Analysis: Philippines

Internal	
Strengths	**Weaknesses**
● Potential size of the domestic content market ● Ability and skills to create content products ● Skilled, educated labour force ● English proficiency of human resources ● Cultural affinity with the United States ● Professional niches ● Strong industry association ● International reputation for talent and creativity	● Insufficient labour force ● Lack of government promotion policies ● Lack of funding for overseas promotion and marketing ● Weak local market collaboration ● Inadequate marketing and distribution network ● High production and input costs (raw materials, software licences, and new equipment) ● Content piracy
Opportunities	**Threats**
● Increasing international demand for creative goods and services ● Rising per capita income ● Utilisation of advanced modern technology	● Greater competition with companies from other countries ● Insufficient future supply of globally competitive, skilled labour ● Low market awareness ● Preference for imported products
External	

SWOT = strength/weakness, opportunity/threat.

Source: Authors.

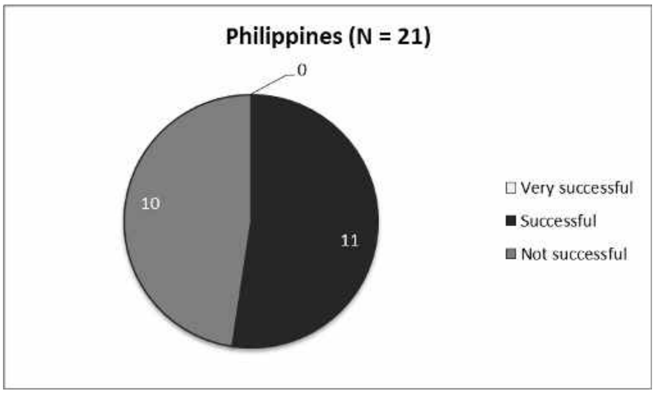
2. Policy Evaluation

2.1. Overall Evaluation

Figure 10-4 shows the survey results of the overall assessment of related policies. Eleven out of twenty-one respondents (52 percent) indicate a positive ('very successful' and 'successful') response.

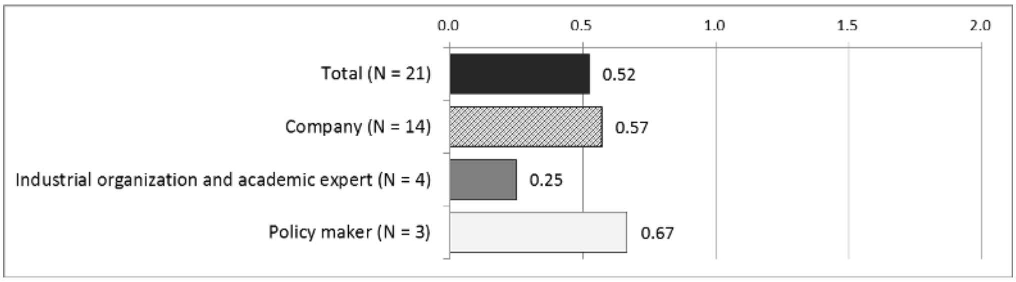
Figure 10-5 shows the score for each respondent category, indicating the gap between stakeholders.

Figure 10-4: Overall Assessment of Content Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 10-5: Overall Assessment of Content Policies—Score per Respondent Category



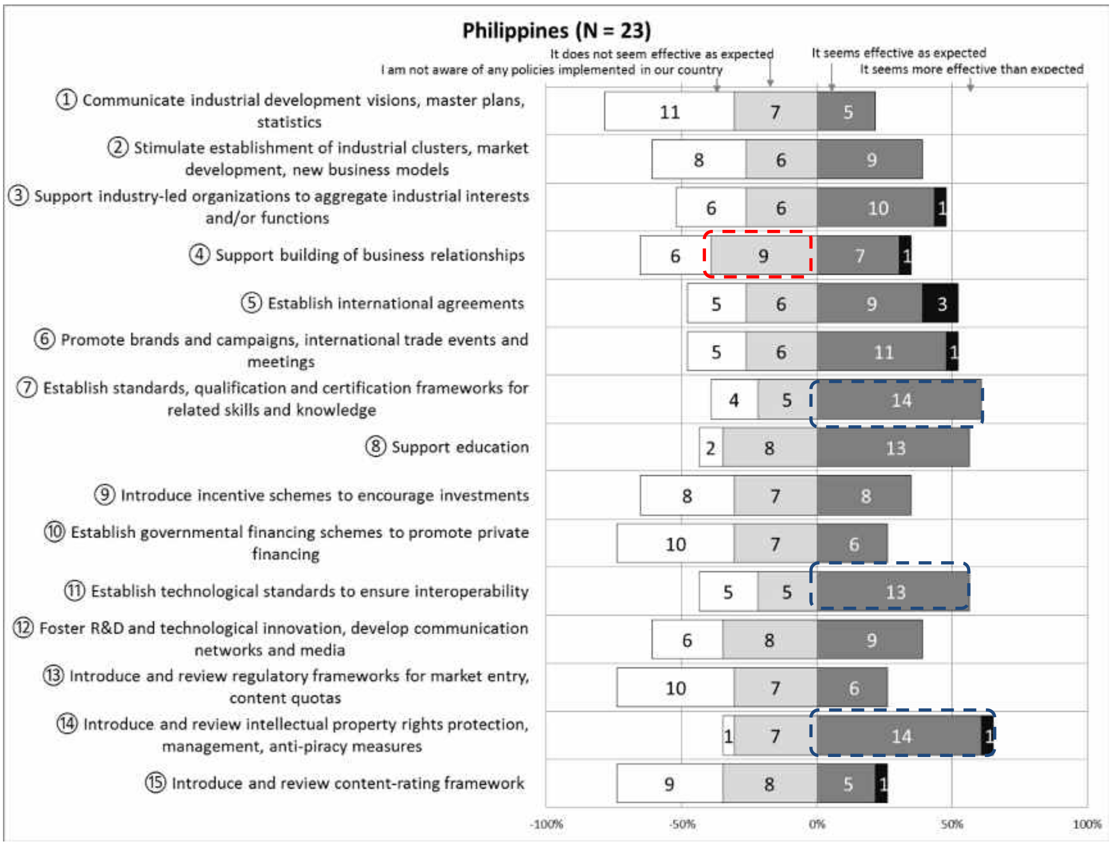
Note: Figures indicate weighted average of number of respondents and weight (very successful = 2, successful = 1, not successful = 0).
Source: Evaluation Survey of Content Industry Promotion Policies.

2.2. Effectiveness of Current Policies

Figure 10-6 shows the survey results on the awareness of policy effectiveness. The results indicate the respondents' awareness of how the policies meet their expectations. The majority support six policies: #5 (Establish international agreements), #6 (Promote brands and campaigns, international trade events and meetings), #7 (Establish standards, qualification and certification frameworks for related skills and knowledge), #8 (Support education), #11 (Establish technological standards to ensure interoperability), and #14 (Introduce and review intellectual property rights protection, management, anti-piracy measures).

The most number of negative votes go to #4 (Support building of business relationships).

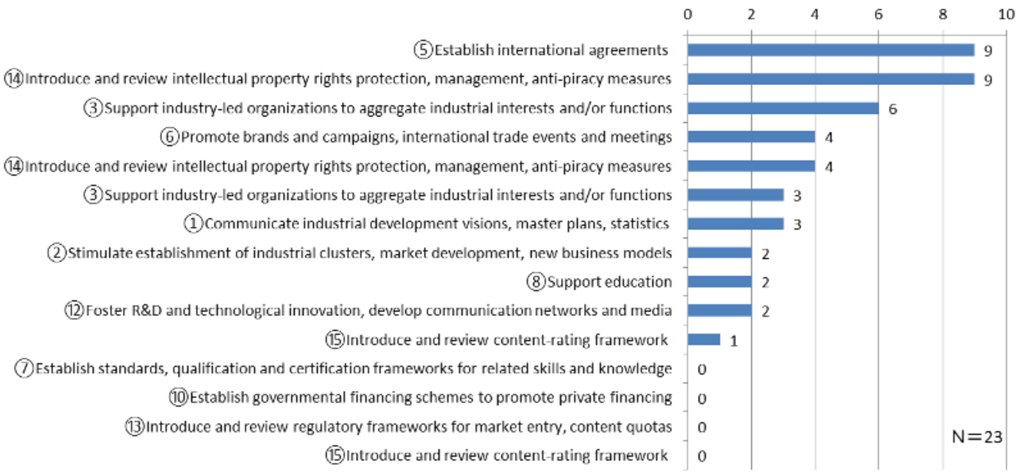
Figure 10-6: Policy Effectiveness



Source: Evaluation Survey of Content Industry Promotion Policies.

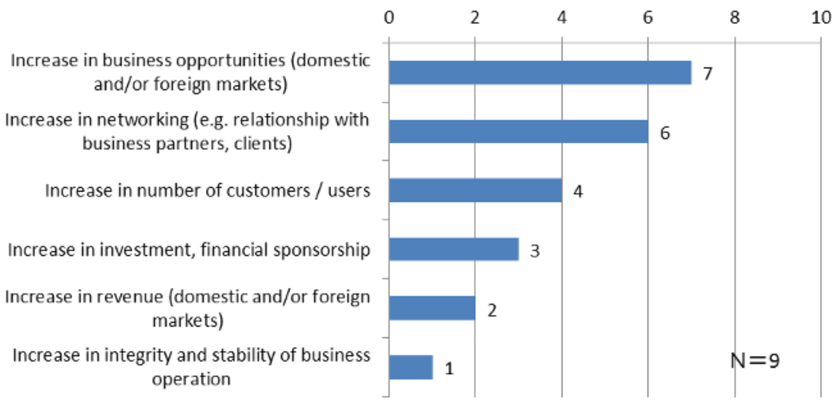
Figure 10-7 shows, in descending order, the policies considered to be highly effective; #5 (Establish international agreements) and #14 (Protect intellectual property rights) have the most votes. Figure 10-8 describes the effects and outcomes that have resulted from policy #5. Most respondents have enjoyed increased business opportunities.

Figure 10-7: Policies Regarded as Effective



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 10-8: Effects and Outcomes as a Result of Policy #5 (Establish international agreements)

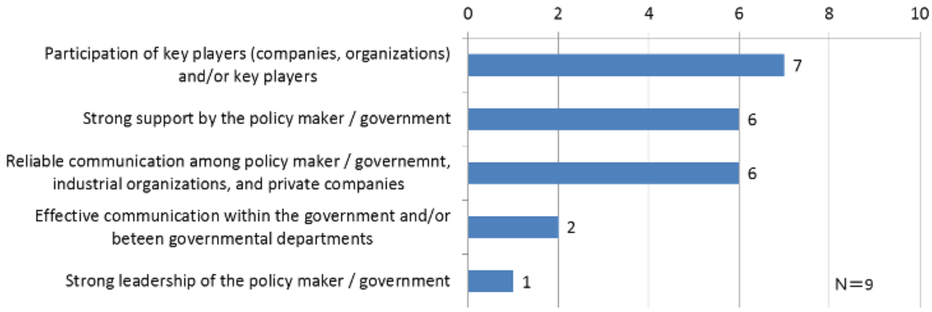


Source: Evaluation Survey of Content Industry Promotion Policies.

2.3. Key Success Factor

Figure 10-9 shows what respondents consider an important element (key success factor) for maximising the effectiveness of policy #5 (Establish international agreements), which is regarded as the most successful (Section 2.2). The majority of respondents consider the participation of key players as the most important element.

Figure 10-9: Key Success Factor of Policy #5 (Establish international agreements)

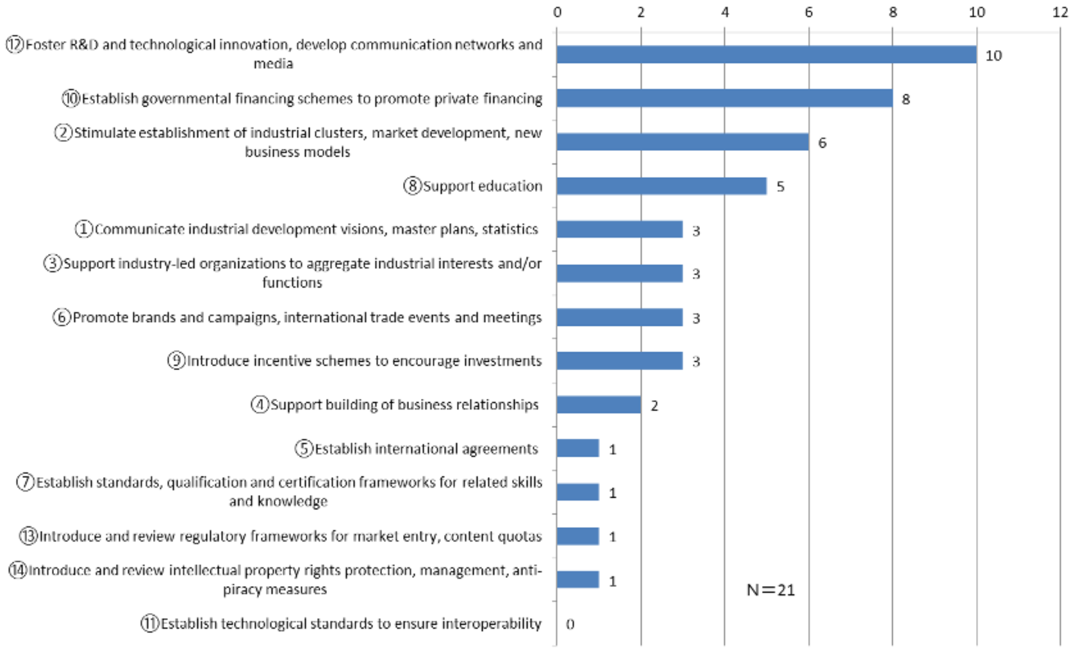


Source: Evaluation Survey of Content Industry Promotion Policies.

2.4. Challenges

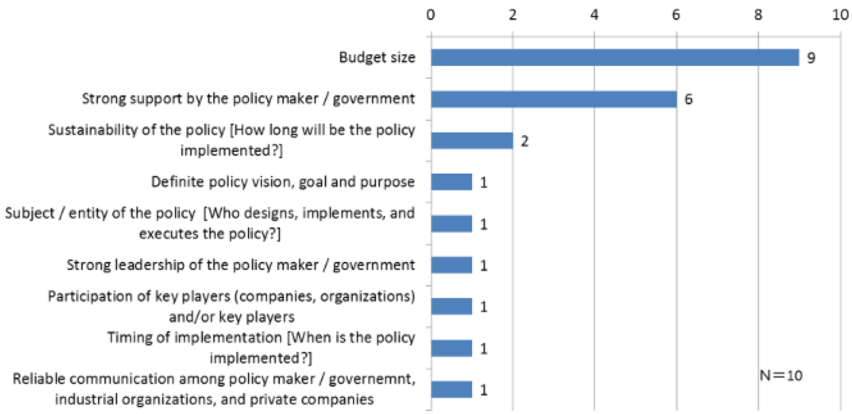
Figure 10-10 shows the policies considered to face challenges. Policy #12 (Foster research and development and technological innovation, develop communication networks and media) has the most votes. Figure 10-11 shows that many respondents consider budget size and strong leadership of policymakers and government as key to overcoming the challenge.

Figure 10-10: Policies Needing Improvement



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 10-11: Difficulties and Constraints of Policy #12 (Foster research and development and technological innovation, develop communication networks and media)

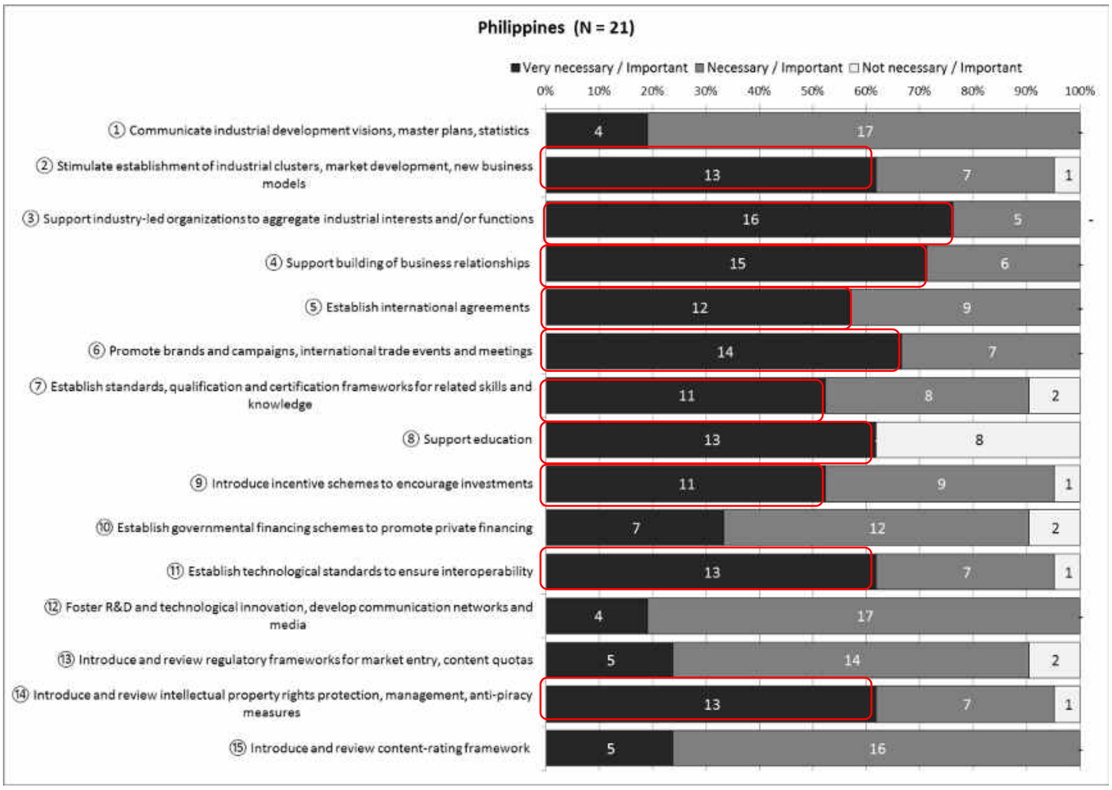


Source: Evaluation Survey of Content Industry Promotion Policies.

2.5. Necessity of Current Policies and Expectations

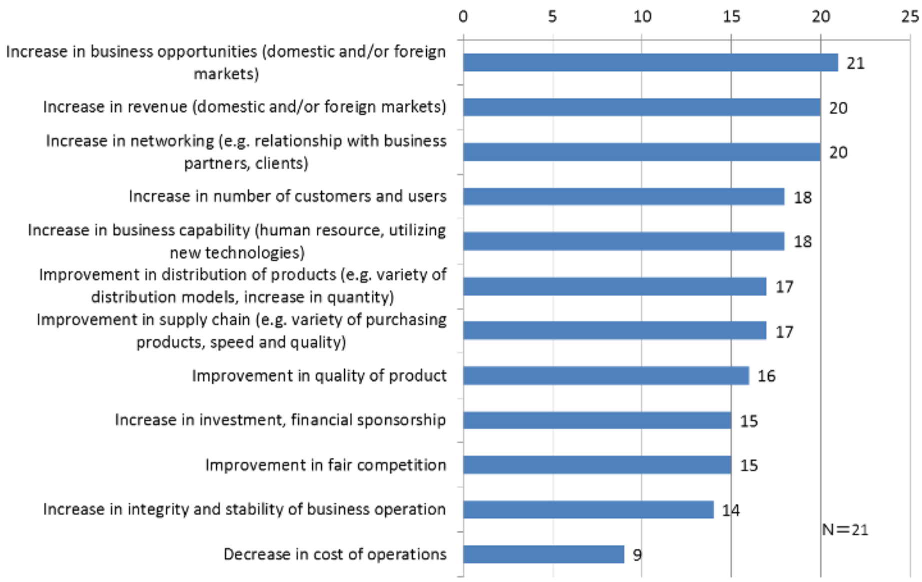
Figure 10-12 shows the survey results on necessary policy. Many policies are considered necessary, with #3 (Support industry-led organisations) as the most necessary.

Figure 10-12: Necessity of Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 10-13: Expectations of Implemented Policies



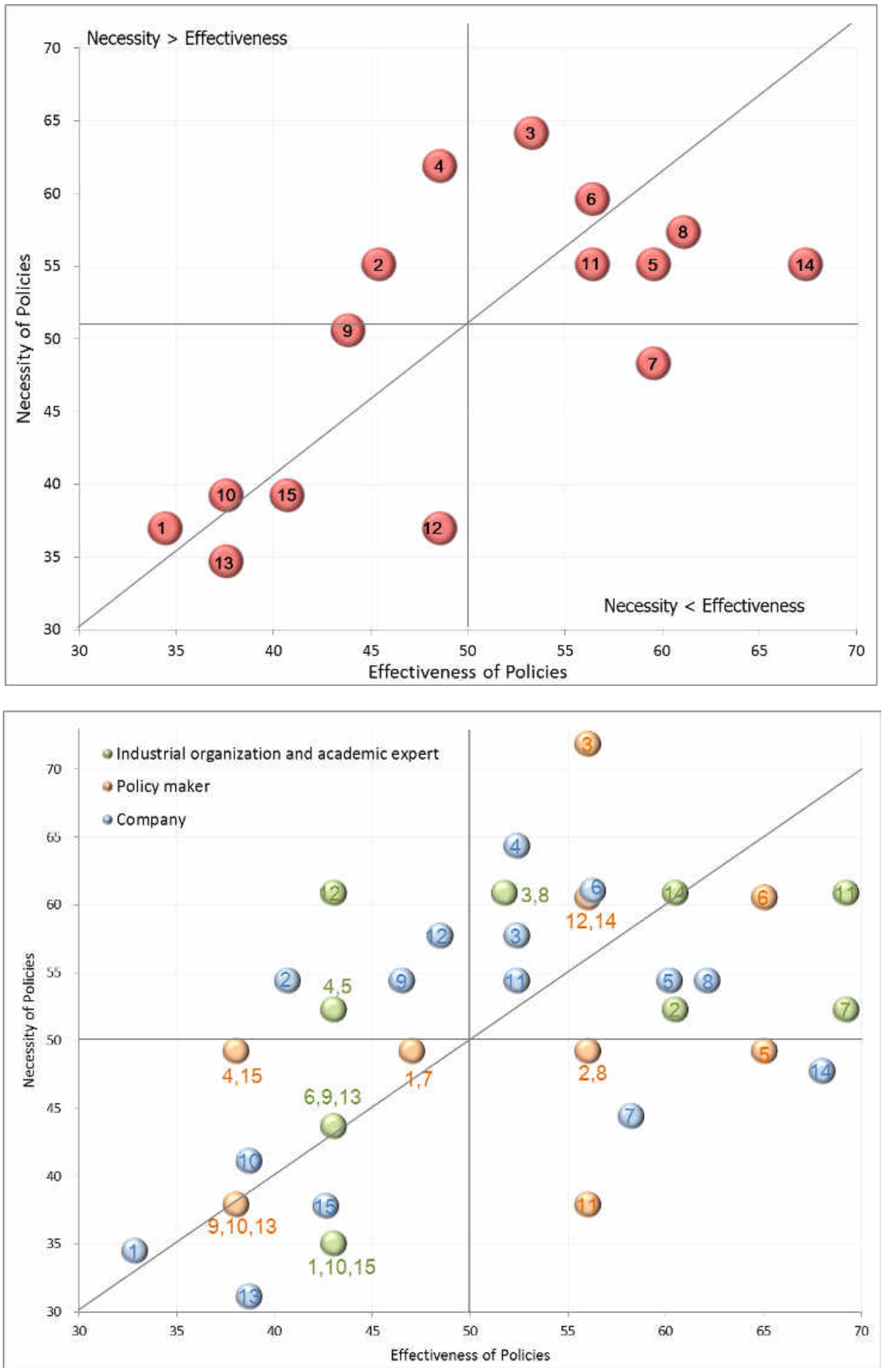
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 10-13 shows the respondents' expectation of policies, irrespective of current implementation. The highest expectation is increased business opportunities.

2.6. Policy Prioritisation

Figure 10-14 maps the effectiveness and necessity of each policy. The figures are converted into deviation values to relatively map the results. Each plot describes the policy activity. Overall, policies in the Philippines have relatively high performance, as the effectiveness of half the policies is evaluated higher than necessity. Although there is demand for #2 (Stimulate establishment of industrial clusters, market development, new business models), #4 (Support building of business relationships), and #9 (Introduce incentive schemes to encourage investments), their effectiveness does not seem to meet expectations. Evaluations of these policies, especially #2 and #9, vary among respondents.

Figure 10-14: Effectiveness vs. Necessity of Policies
(above: average, below: by category)



Source: Evaluation Survey of Content Industry Promotion Policies.

Table 10-3 describes the overall analysis results. It provides the performance indicator for each policy activity, describing the priority level, or the relative distance between necessity and effectiveness (see Chapter 1 for a more detailed explanation of a performance indicator). The table also provides the coefficient of variation and a normalised measure of dispersion, which describes the variance among respondent categories. The results show that #4 has the highest priority for improvement.

Table 10-3: Analysis Results of Policy Evaluation

Policy Area	Policy Activities	Performance	CV Effectiveness, %	CV Necessity, %
Industry and Market Development	1. Communicate industrial development visions, master plans, statistics	- 1.8	15	17
	2. Stimulate establishment of industrial clusters, market development, new business models	- 6.9	16	4
Organisational Scheme, Business Relationships	3. Support industry-led organisations in aggregating industrial interests and/or functions	- 7.7	4	10
	4. Support building of business relationships	- 9.5	13	12
International Relationships	5. Establish international agreements	3.1	17	4
	6. Promote brands and campaigns, international trade events and meetings	- 2.3	16	15
Human Resources	7. Establish standards, qualification and certification frameworks for related skills and knowledge	7.9	16	7
	8. Support education	2.6	7	9
Finance	9. Introduce incentive schemes to encourage investments	- 4.8	8	15
	10. Establish government financing schemes to	- 1.2	6	7

	promote private financing			
Technology	11. Establish technological standards to ensure interoperability	0.9	12	19
	12. Foster research and development and technological innovation, develop communication networks and media	8.1	11	2
Legal Frameworks	13. Introduce and review regulatory frameworks for market entry, content quotas	2.0	6	14
	14. Introduce and review intellectual property rights protection, management, anti-piracy measures	8.6	8	11
	15. Introduce and review content-rating frameworks	1.0	5	15

CV = coefficient of variation (variation among respondent categories).
Note: 'Performance' indicates the relative distance where: (a) Figures above zero: Effectiveness outperforms necessity/expectation; (b) Figures below zero: Effectiveness underperforms necessity/expectation
Source: Authors based on Evaluation Survey of Content Industry Promotion Policies.

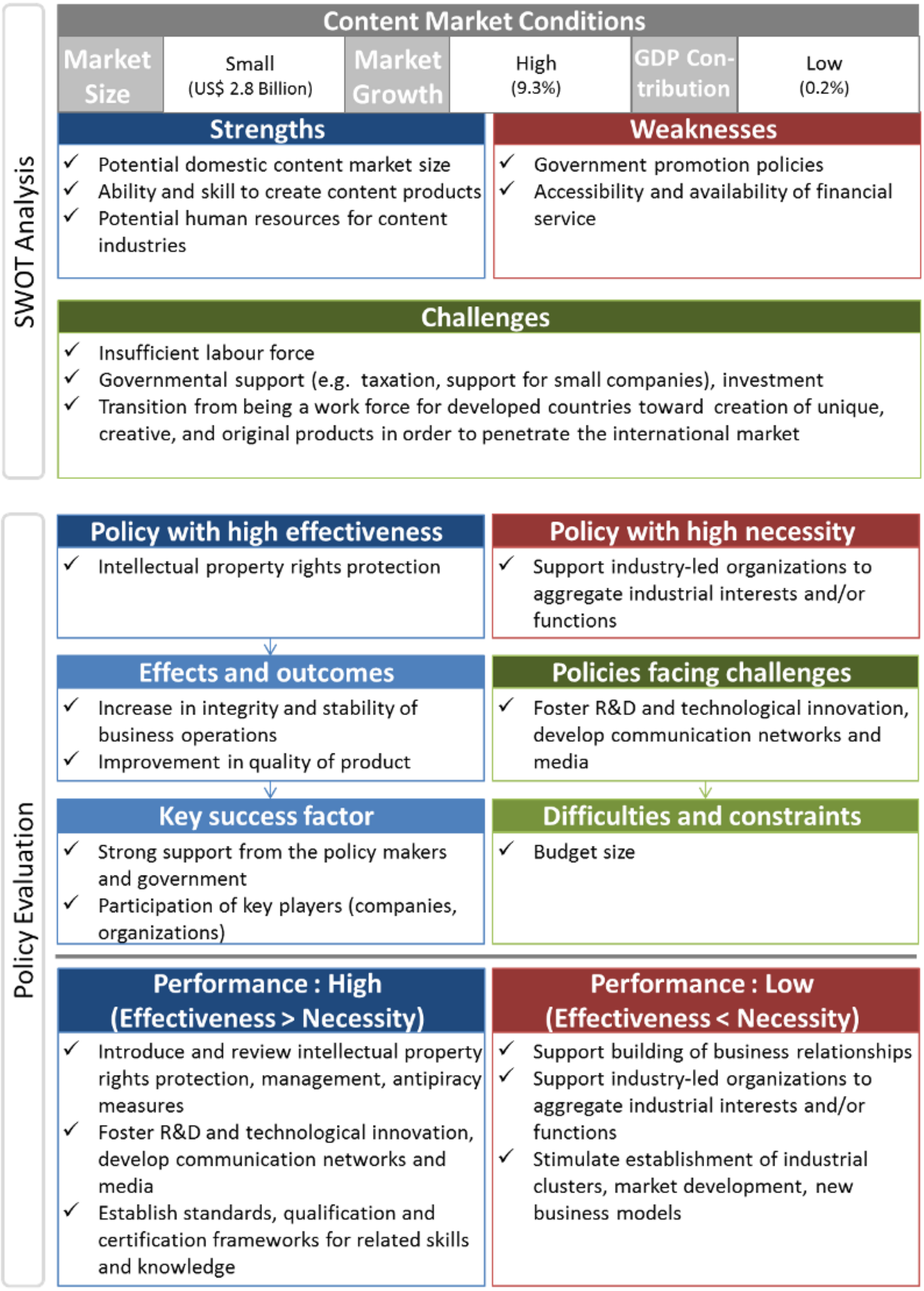
The content industry in the Philippines has been growing rapidly with strong collaboration with other countries such as the United States, building its strengths with ability and skills to create content products, as well as developing potential human resources. The content industry's economic contribution is still low, but the industry is expected to lead economic development.

The government does not have one body overseeing the content industry, but instead has multiple bodies covering each sector (Chapter 4 They have been implementing effective policies, including intellectual property rights protection, which increases the integrity and stability of business operations.

3. Policy Evaluation

Figure 10-15 summarises of the results.

Figure 10-15: Overall Results: Philippines



Source: Authors.

The industry is also seeing high performance of policies in fostering research and development and technological innovation, developing communication networks and media, and establishing standards and qualification and certification frameworks for related skills and knowledge.

The industry, however, has strong demand for policy intervention and support for the content industry. It especially needs industry-led organisations to aggregate domestic industry's interests and/or functions. This will increase the effectiveness of future policies as well as realise the transition to building and nurturing the domestic industry by producing and distributing its creative content products. With these policies, efforts to stimulate the establishment of industrial clusters, market development, and new business models should induce positive effects and leverage the domestic market's high potential and encourage competition in the international arena.

CHAPTER 11

Policy Evaluation: Singapore

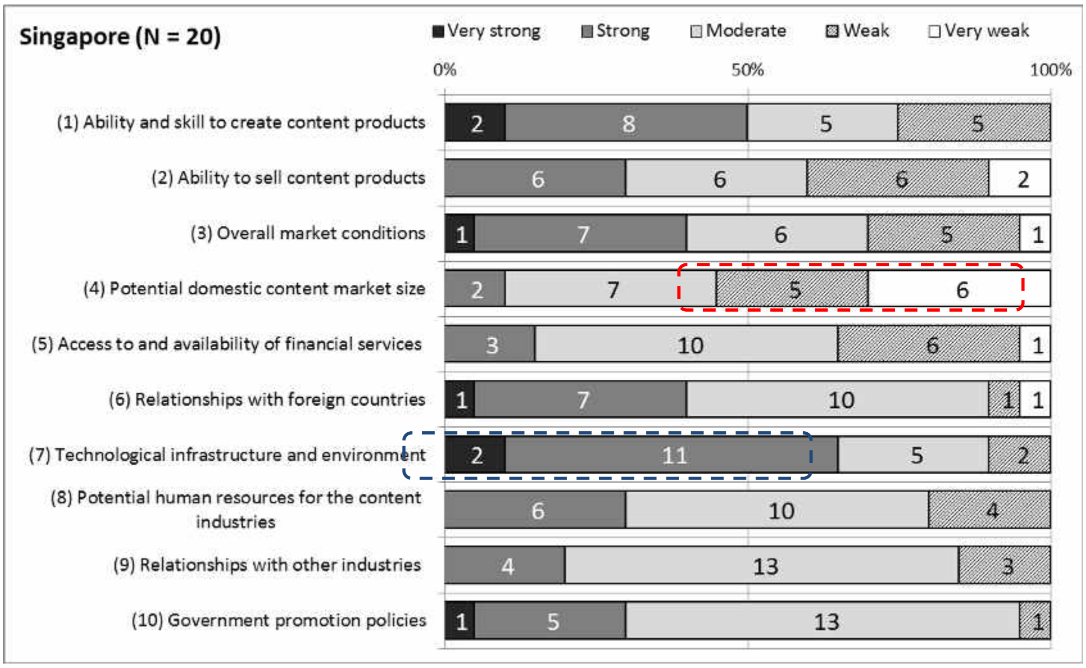
1. Strength/Weakness, Opportunity/Threat (SWOT) Analysis

1.1. Strengths and Weaknesses: Survey Results

Figure 11-1 shows strengths and weaknesses, and Figure 11-2, strengths and weaknesses by respondent category. The majority of respondents recognise 'technological infrastructure and environment' as the industry's strength, with 'very strong' and 'strong' combined exceeding 50 percent. The policy has the most votes from each respondent category and is strongly recognised by industrial organisations, academic experts, and policymakers.

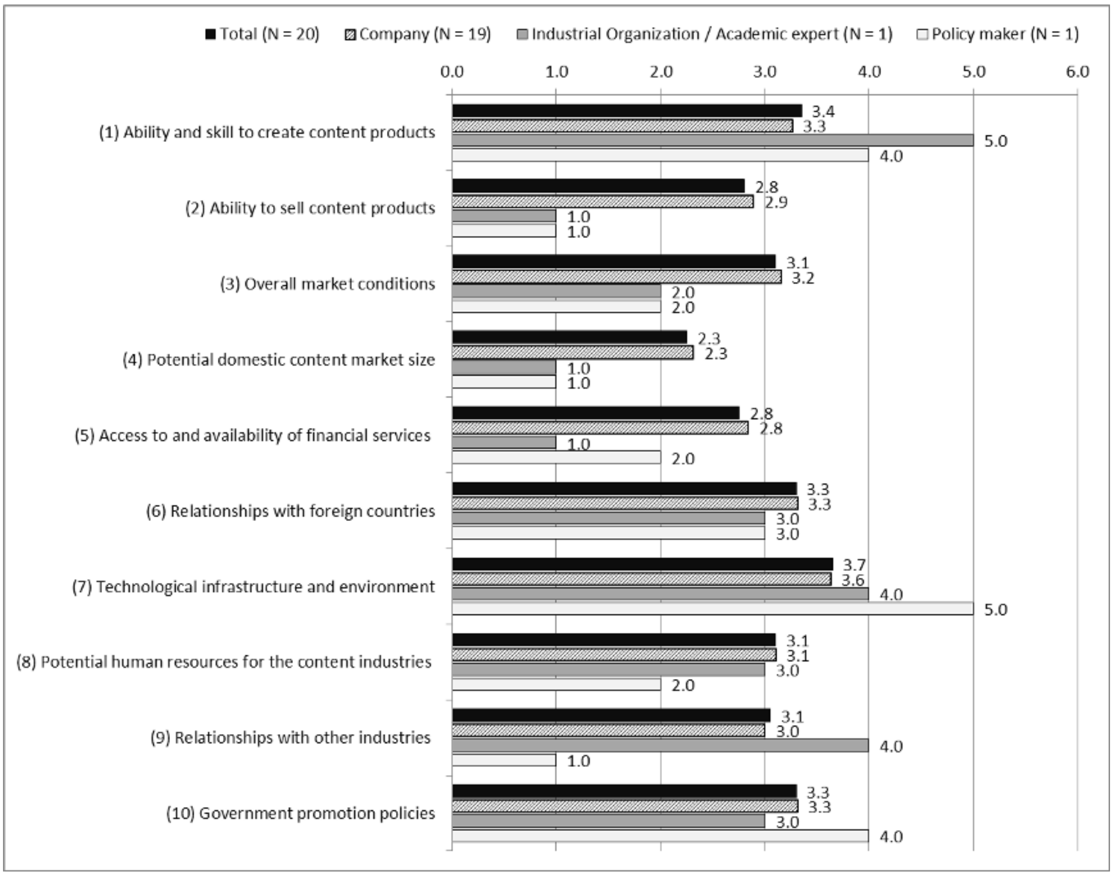
'Potential domestic content market size' is considered a weakness by more than half the respondents. It has driven Singapore to strengthen its international competitiveness and overseas development.

Figure 11-1: Strengths and Weaknesses



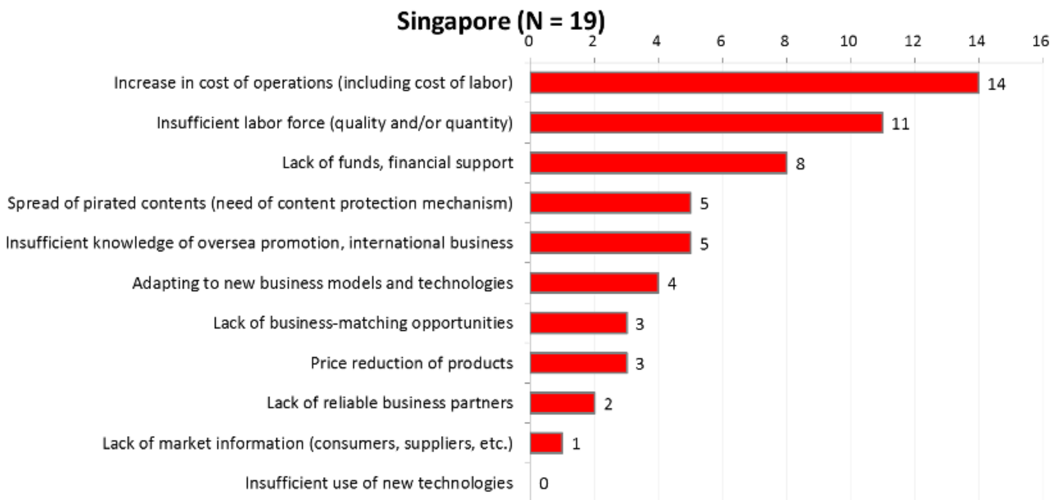
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 11-2: Strength and Weakness Score: Respondent Comparison



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 11-3: Current Challenges



Source: Evaluation Survey of Content Industry Promotion Policies.

Table 11-1: Free Descriptive Answers Regarding Current and Future Challenges

Category	Comment
Company	● Difficulty in composing high-quality Mandarin lyrics to compete in the regional Chinese pop music industry [5/1,5,6] ● Domestic business development. Limited access to funding, small domestic market, strict censorship, limited ability to produce various genres of content [1,2/4,5,6] ● International business development. Insufficient financial muscle to invest and participate in and produce major blockbusters, insufficient networks of partners, limited ability in marketing and distribution [1,2/4,5,6] ● Difficulty in finding stable jobs, planning ahead to meet demand, and coping with the ever-changing industry climate [1,2/1] ● Need to go overseas for new opportunities and growth, fierce competition due to greater market entry of overseas companies (setting up international headquarters or regional bases) [4/1] ● Need for good local partners who can show how business is done in other Asian countries [4/1] ● Difficulty in introducing or adapting to new business models and distribution channels [education software/-] ● Limited production budgets vis-a-vis major content markets such as Korea and China, proliferation of nonlinear platforms, and weak language proficiency [1/1,2,3,4,5] ● Online piracy, higher annual broadcast licence fee (2.5 percent of total revenue) than other developed countries, lack of creative content, and restrictive content regulations such as censorship [1/3] ● Building a competitive market environment, adapting to market trends in Internet downloads and content streaming, anti-piracy measures in response to market saturation [2/4] ● Difficulty in creating content that satisfies not only the small domestic market but also regional audiences [1/1,2] ● Insufficient funding and lack of suitable manpower [publishing/1,2,4,5,7] ● Lower production budgets, need for competitive incentive programmes similar to those of the United Kingdom, Australia, and Canada; escalating business costs; lack of a large pool of internationally exposed local personnel; lack of investment and financial support instruments [1,2,3/1,2,5]
Industrial Organisation and Academic Expert	● Complete intellectual property protection continues to be a challenge, and this will probably remain so in the short to midterm. A vibrant market for locally produced content is still missing, at least in music. A strong local market is always the platform for actors and artists to propel themselves to larger regional and world markets. [5/Association and Collective Management Organisation]

Note: Numbers after each comment describe the sector and operation the respondent is engaged in. [1 = TV programme, 2 = film, 3 = animation, 4 = games, 5 = music, '-' = no response / 1 = production, 2 = post-production, 3 = broadcasting, 4 = distribution, 5 = sales, 6 = purchase/aggregation, 7 = manufacturing, '-' = no response]
Source: Evaluation Survey of Content Industry Promotion Policies.

1.2. Current and Future Challenges

Figure 11-3 shows the results for current challenges facing the content industry. The most recognised issues are 'increase in cost of operations' and 'insufficient labour force'.

Table 11-1 shows that, due to Singapore's small market, some companies see the need for content-related businesses to go overseas for new opportunities and growth. Other challenges are high licence fees and restrictive content regulation.

1.3. Strength/Weakness, Opportunity/Threat (SWOT) Analysis: Update of the FY2012 Report

The update of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report) (Table 5-2) takes into account the survey results as well as recent market trends (Chapter 2) and policies (Chapter 4).

Singapore considers as strengths its technology infrastructure and environment, and its ability to create content products based on connections with neighbouring countries through language (English, Chinese, and Malay). Singapore's content industry has developed under its well-established economic and legal environment.

Its small domestic market, however, is highly recognised as its weakness. Facilitating opportunities to develop international marketing is therefore one of the most important ways to promote the industry. The current increase in cost of operations and insufficient labour force are also weaknesses that hinder the industry's use of its strengths.

2. Policy Evaluation

2.1. Overall Evaluation

Figure 11-4 shows the survey results of the overall assessment of related policies. Twelve out of eighteen respondents (66 percent) indicate positive evaluation ('successful'; no 'very successful' response).

Table 11-2: SWOT Analysis—Singapore

Internal	
Strengths	**Weaknesses**
● Technological infrastructure and environment ● Ability and skills to create content products ● Strong connections with English-, Chinese-, and Malay-speaking world ● Host to international broadcasters, international games, and animation companies ● Open economy, strong governance for business, financial hub in Asia, and legal framework to protect intellectual property rights ● Host to high-end visual effects studios that use state-of-the-art technologies	● Small domestic market ● Increase in cost of operations ● Insufficient labour force ● Lack of ability to sell content products ● Limited access to and availability of financial services ● Highly fragmented market due to language segmentation ● Media not seen as a career choice ● Small production companies
Opportunities	**Threats**
● High gross domestic product per capita ● High penetration of smartphone and mobile Internet subscriptions ● Cosmopolitan market with an appetite for global and regional content ● Transition to terrestrial digital broadcasting	● Competition with foreign content producers ● Small talent base (not limited to content industry) ● Ageing population
External	

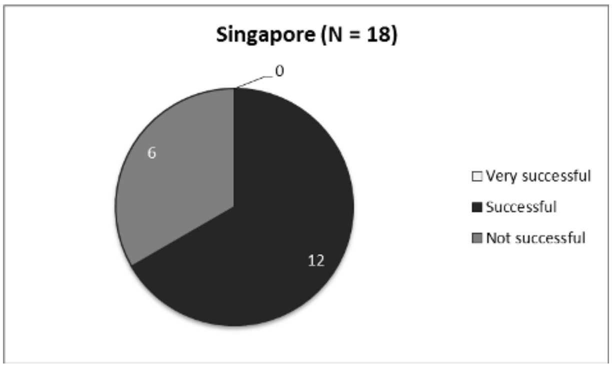
SWOT = strength/weakness, opportunity/threat.
Source: Authors.

Figure 11-5 shows the score for each respondent category, indicating the gap between stakeholders.

2.2. Effectiveness of Current Policies

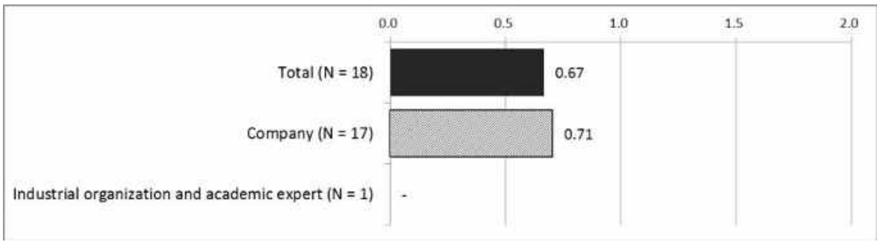
Figure 11-6 shows the survey results on implementation awareness and policy effectiveness. The results indicate the respondents' awareness of how the policies meet their expectations. All policies, except #1 (Communicate industrial development visions, master plans, statistics), #13 (Introduce and review regulatory frameworks for market entry, content quotas), and #15 (Introduce and review content-rating framework) are supported by the majority of respondents. Policies #4 (Support building of business relationships) and #8 (Support education) are strongly recognised as effective. Policy #12 (Foster research and development and technological innovation, develop communication networks and media) has the most negative votes.

Figure 11-4: Overall Assessment of Content Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 11-5: Overall Assessment of Content Policies—Score per Respondent Category



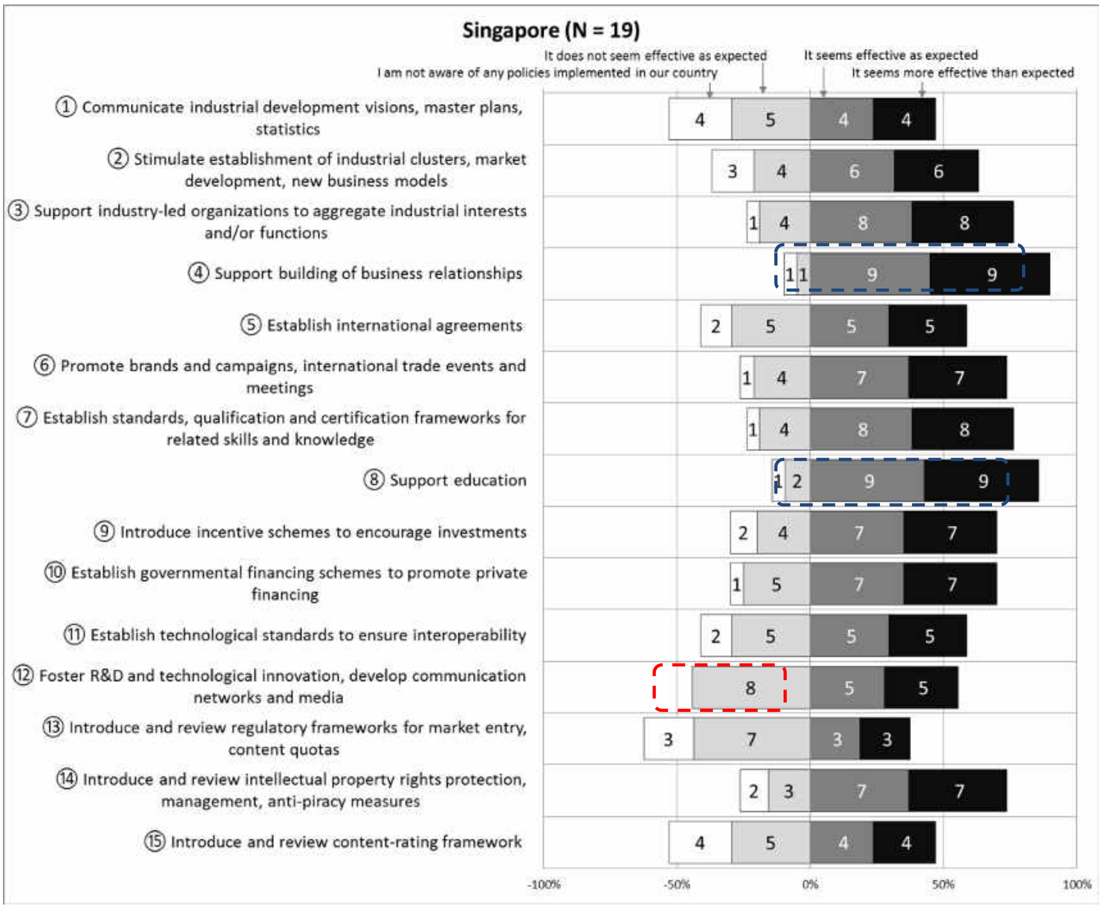
Note: Figures indicate weighted average of number of respondents and weight (very successful = 2, successful = 1, not successful = 0).
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 11-7 shows, in descending order, the policies considered to be highly effective. Policy #10 (Establish government financing schemes to promote private financing) has the most votes. Figure 11-8 describes the effects and outcomes that have resulted from #10. Most respondents have enjoyed increased opportunities for business and for receiving financial sponsorship.

2.3. Key Success Factor

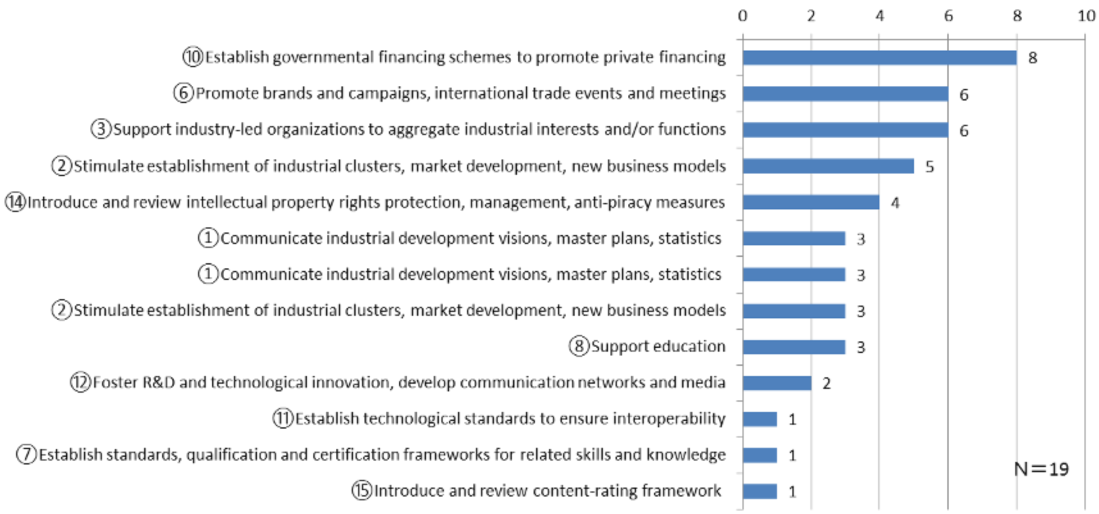
Figure 11-9 shows what respondents consider an important element (key success factor) for maximising the effectiveness of policy #10 (Establish government financing schemes to promote private financing). Many respondents consider 'encouraging incentives, willingness, and independence of related parties' as the major factor.

Figure 11-6: Policy Effectiveness



Source: Evaluation Survey of Content Industry Promotion Policies.

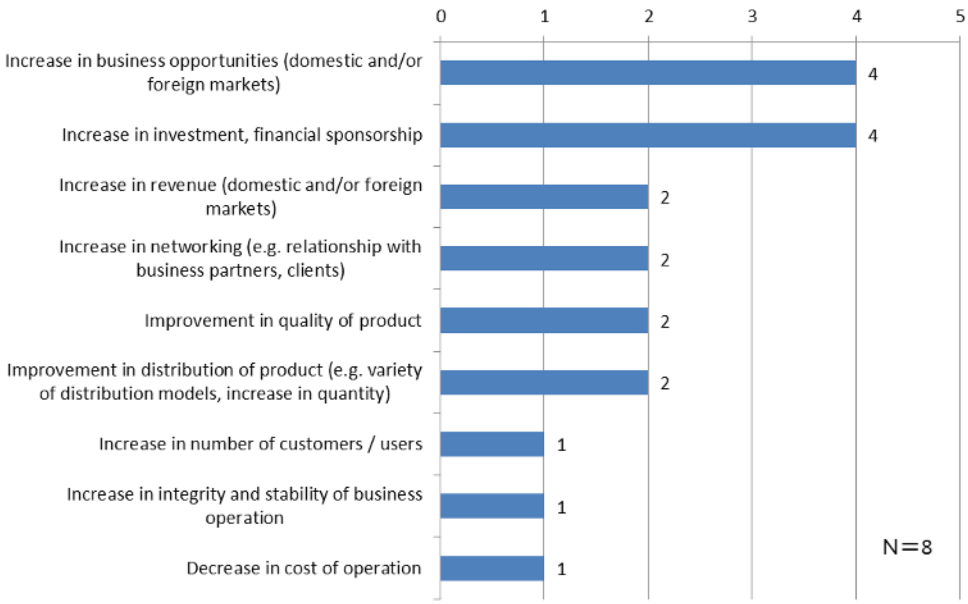
Figure 11-7: Policies Regarded as Effective



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 11-8: Effects and Outcomes as a Result of Policy #10

(Establish government financing schemes to promote private financing)



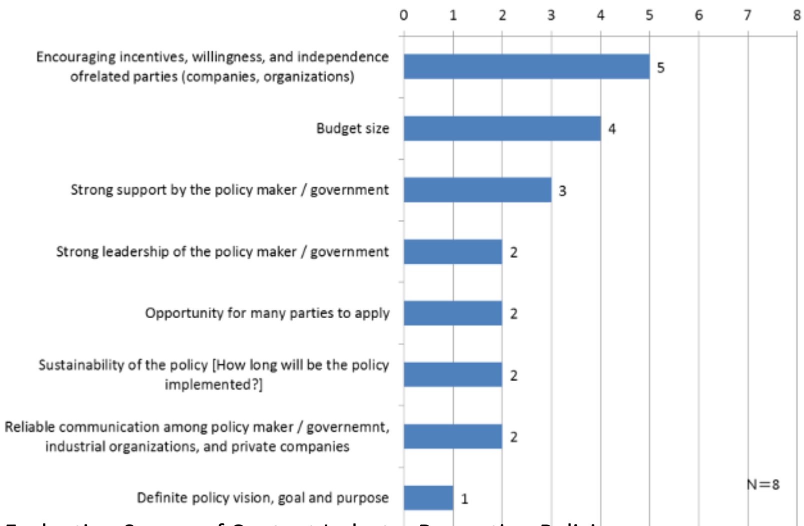
Source: Evaluation Survey of Content Industry Promotion Policies.

2.4. Challenges

Figure 11-10 shows the policies considered to face challenges. Policy #12 (Foster research and development and technological innovation, develop communication networks and media) has the most votes. Figure 11-11 suggests that many respondents consider clear policy vision, goal, and purpose as the key to overcoming the challenge

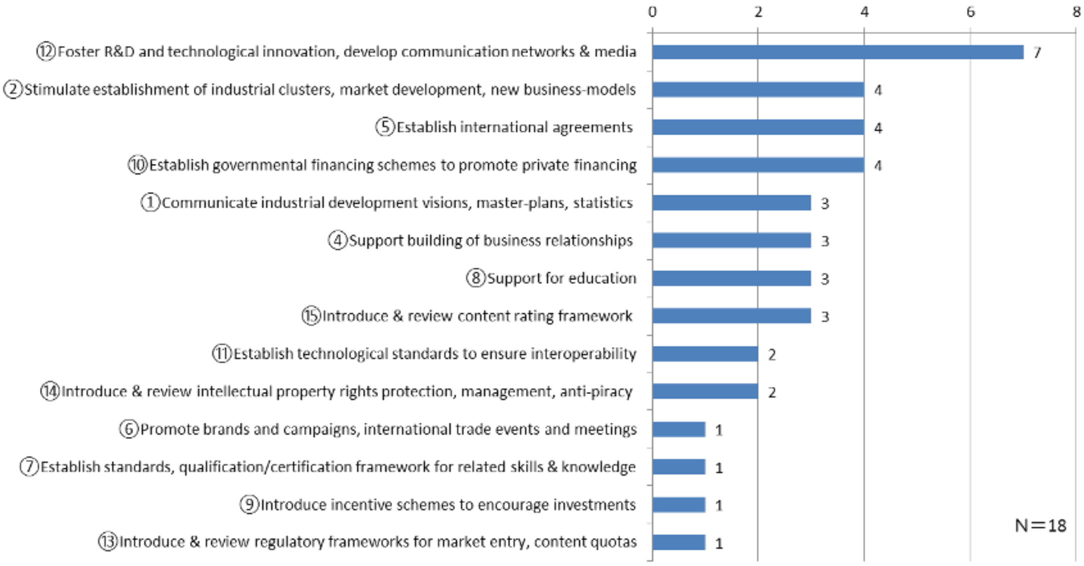
Figure 11-9: Key Success Factors of Policy #10

(Establish government financing schemes to promote private financing)



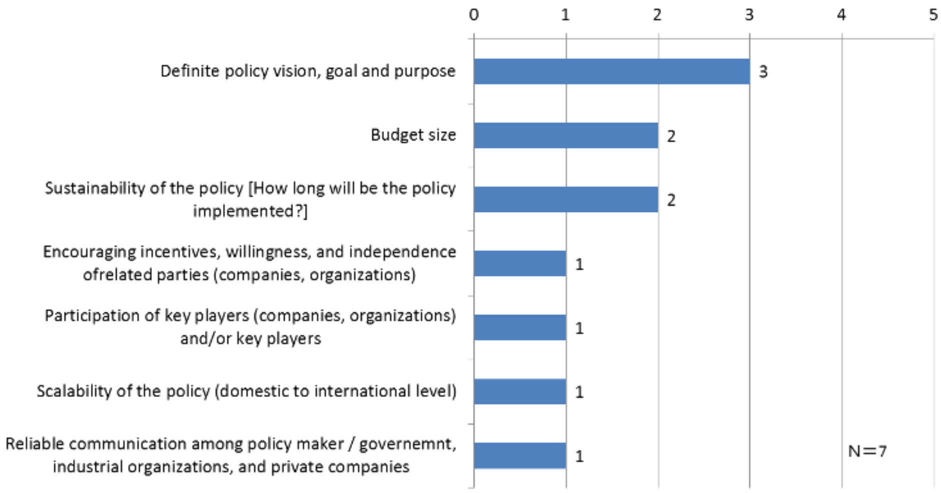
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 11-10: Policies Needing Improvement



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 11-11: Difficulties and Constraints of Policy #12
(Foster research and development and technological innovation,
develop communication networks and media)



Source: Evaluation Survey of Content Industry Promotion Policies.

2.5. Necessity of Current Policies and Expectations

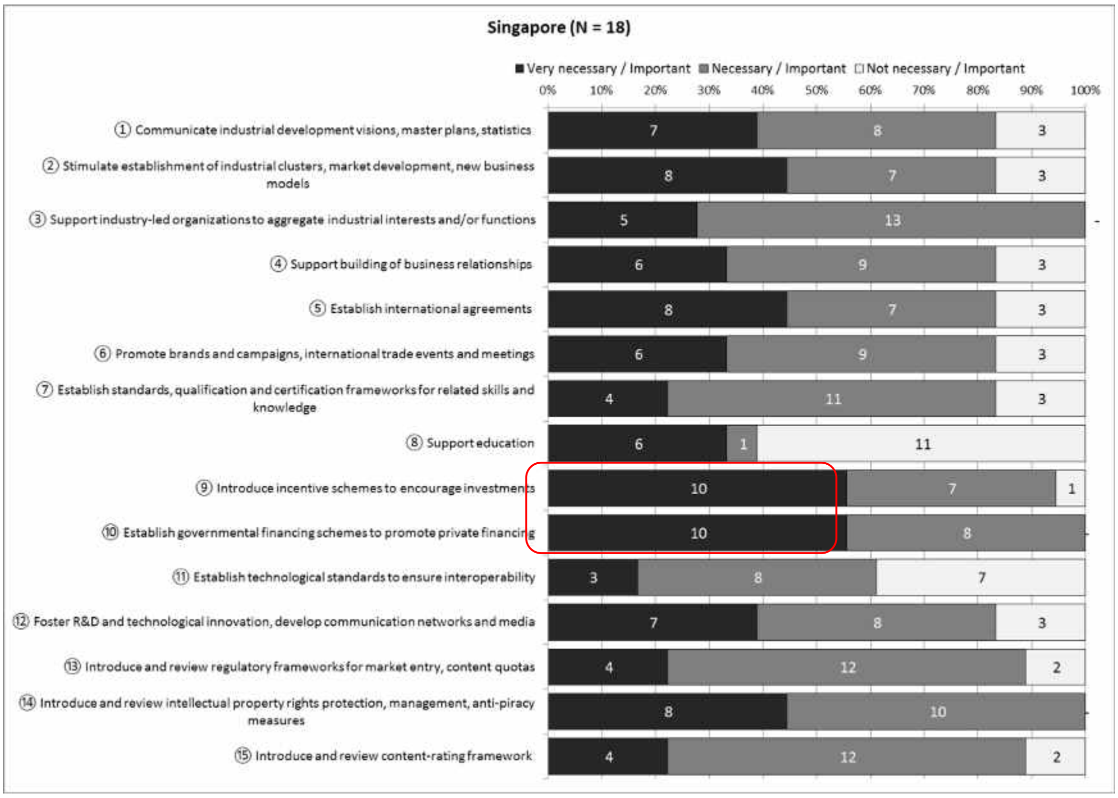
Figure 11-12 shows the survey results on the necessity of policy. Considered the most necessary are policies #9 (Introduce incentive schemes to encourage investments) and #10 (Establish government financing schemes to encourage investments).

Figure 11-13 shows the respondents' expectation of policies, irrespective of current implementation. The majority of respondents expect increase in revenue.

2.6. Policy Prioritisation

Figure 11-14 maps the effectiveness and necessity of each policy. The figures are converted into deviation values to relatively map the results. Each plot describes the policy activity. Overall, policies for Singapore have relatively high performance, as six policies have higher effectiveness than necessity. There is demand for policies #9 (Introduce incentive schemes to encourage investments), #10 (Establish government financing schemes to promote private financing), and #12 (Foster research and development and technological innovation, develop communication networks and media), but effectiveness does not seem to meet expectations.

Figure 11-12: Necessity of Policies



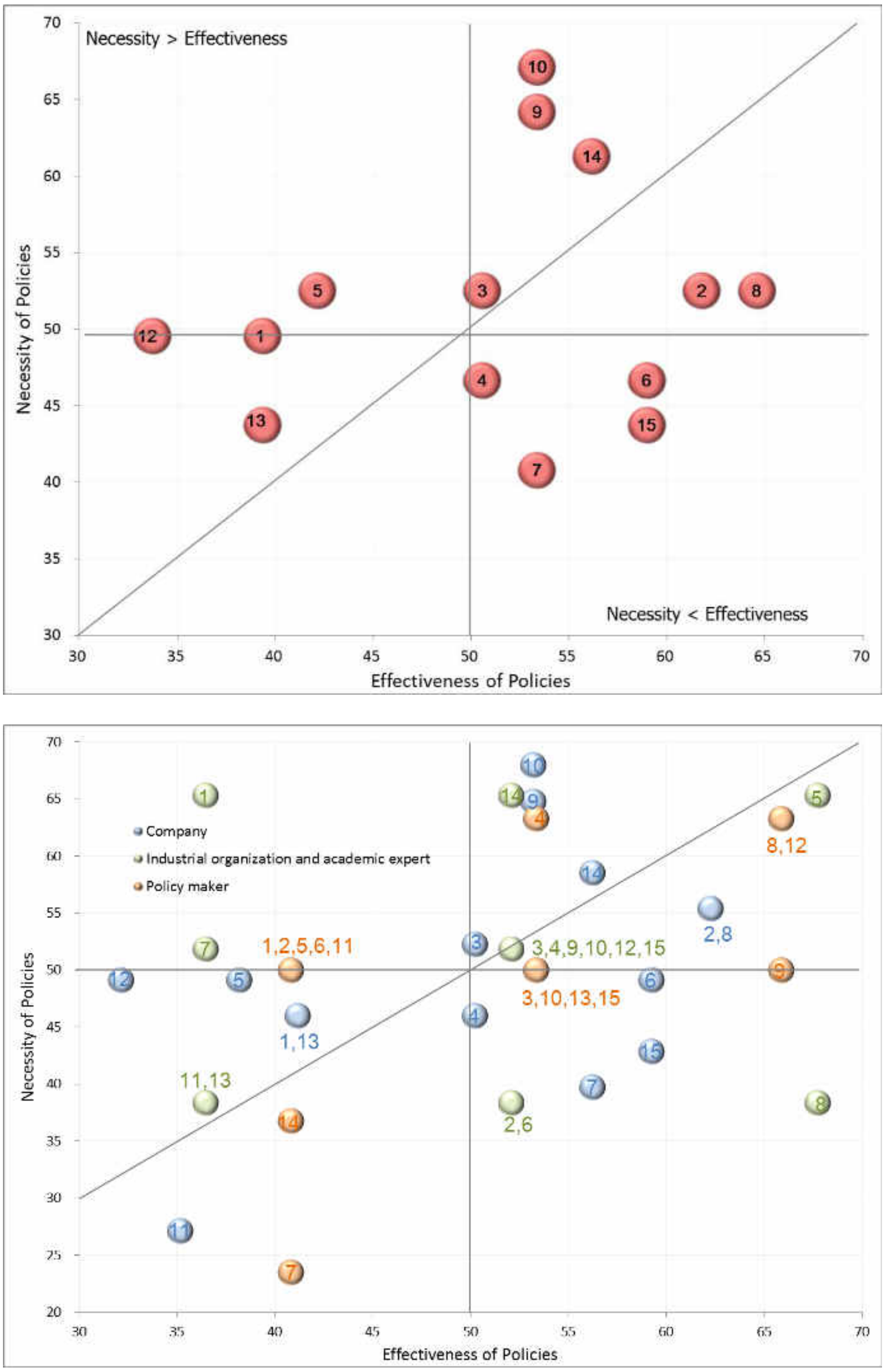
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 11-13: Expectation of Implemented Policies

Source: Evaluation Survey of Content Industry Promotion Policies.

Table 11-3 describes the overall analysis results. It provides the performance indicator for each policy activity, describing the priority level, or the relative distance between necessity and effectiveness (see Chapter 1 for a more detailed explanation of performance indicator). The table also provides the coefficient of variation and a normalised measure of dispersion, which describes the variance amongst respondent categories. The results show that policy #12 has the highest priority for improvement.

Figure 11-14: Effectiveness vs. Necessity of Policies
(above: average, below: by category)



Source: Evaluation Survey of Content Industry Promotion Policies.

Table 11-3: Analysis Results of Policy Evaluation

Policy Area	Policy Activities	Performance	CV Effectiveness, %	CV Necessity, %
Industry and Market Development	1. Communicate industrial development visions, master plans, statistics	- 7.3	6	17
	2. Stimulate establishment of industrial clusters, market development, new business models	6.5	9	18
Organisational Schemes, Business relationships	3. Support industry-led organisations in aggregating industrial interests and/or functions	- 1.4	2	0
	4. Support building of business relationships	2.7	2	6
International relationships	5. Establish international agreements	- 7.3	28	14
	6. Promote brands and campaigns, international trade events and meetings	8.7	6	12
Human Resources	7. Establish standards, qualification/certification framework for related skills and knowledge	8.9	21	13
	8. Support education	8.5	4	18
Finance	9. Introduce incentive schemes to encourage investments	- 7.7	1	11
	10. Establish government financing schemes to promote private financing	- 9.8	1	13
Technology	11. Establish technological standards to ensure inter-operability	5.3	2	17
	12. Foster research and development and technological innovation, develop communication networks and media	-11.2	24	3
Legal Frameworks	13. Introduce and review regulatory frameworks for market entry, content quotas	- 3.1	6	9
	14. Introduce and review intellectual property rights protection, management, anti-piracy measures	- 3.6	4	5
	15. Introduce and review content rating framework	10.7	6	17

CV = coefficient of variation (variation among respondent categories).

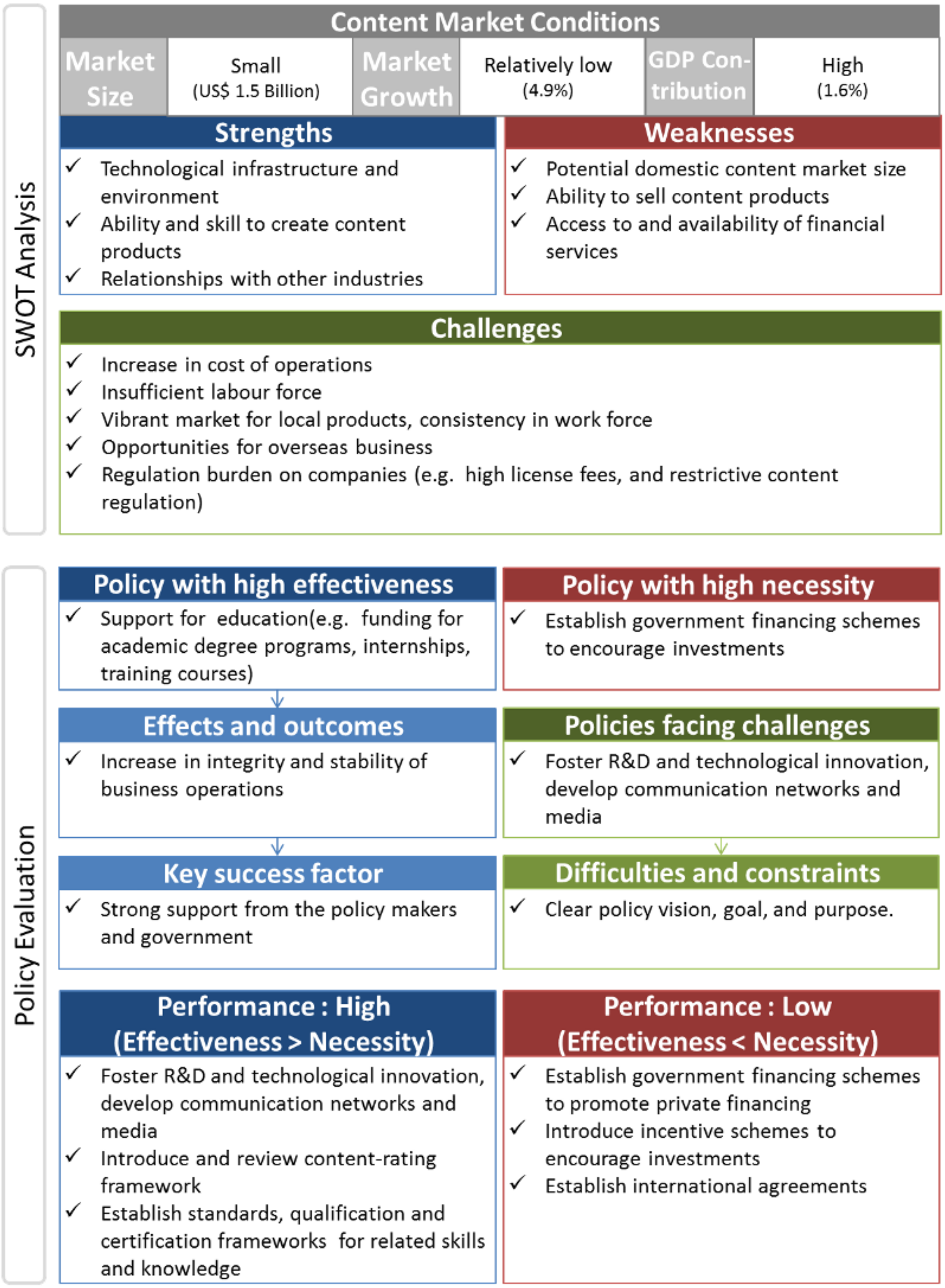
Note: 'Performance' indicates the relative distance where: (a) Figures above zero: Effectiveness outperforms necessity/expectation; (b) Figures below zero: Effectiveness underperforms necessity/expectation.

Source: Evaluation Survey of Content Industry Promotion Policies.

2. Summary

Figure 11-15 summarises the results.

Figure 11-15: Overall Results—Singapore



GDP = gross domestic product, SWOT = strength/weakness, opportunity/threat.
Source: Authors.

Since establishing the Media Development Authority in 2003, Singapore has focused on developing a vibrant creative and media sector, nurturing home-grown media enterprises, and fostering a cohesive and inclusive society. Through initiatives such as the Singapore Media Fusion Plan (2009) and recent discussions to develop the industry toward 2025, the country has set strategic goals to enhance its content industry’s economic contribution.

Singapore sees its strength in its technological infrastructure environment and its ability and skill to create content products, while recognising its small domestic content market as a weakness. With regard to capacity building, the country has focused on supporting education, recognised to be effective in increasing the integrity and stability of business operations. The performance of these technology and human resource policies, and regulations in the content-rating framework is rated more highly than other policies.

Due to rapid economic growth, however, the country is facing domestic economic issues such as increasing cost of operations and insufficient labour force. Such factors are driving the industry to engage in overseas business and to collaborate with other countries through human resources. Although the government has provided financial schemes and funds to the sectors, especially broadcasting, the industry is strongly aware of demand for further financial support and improved government support for international agreements.

CHAPTER 12

Policy Evaluation: Thailand

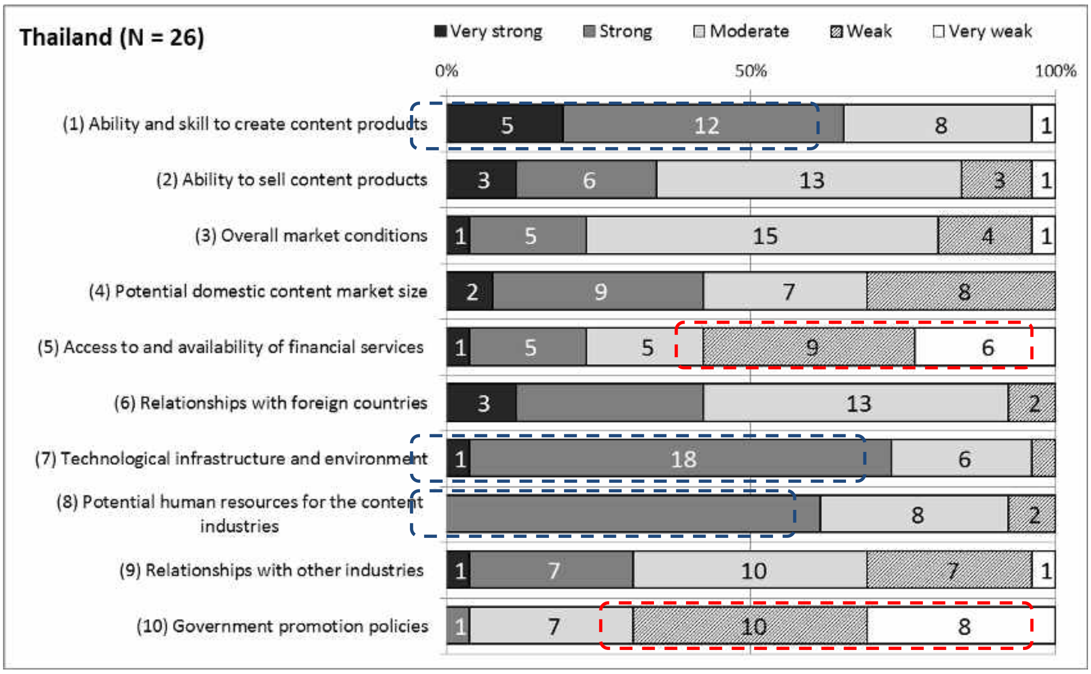
1. Strength/Weakness, Opportunity/Threat (SWOT) Analysis

1.1. Strength and Weakness: Survey Results

Figure 12-1 shows strengths and weaknesses, and Figure 12-2, strengths and weaknesses by respondent category. The majority of respondents recognise ‘ability and skill to create content products’ (1), ‘technological infrastructure and environment’ (7), and ‘potential human resources for content industries’ (8) as the industry’s strengths. Item (1) is strongly recognised as a strength by company respondents, and items (7) and (8) by policymakers and government.

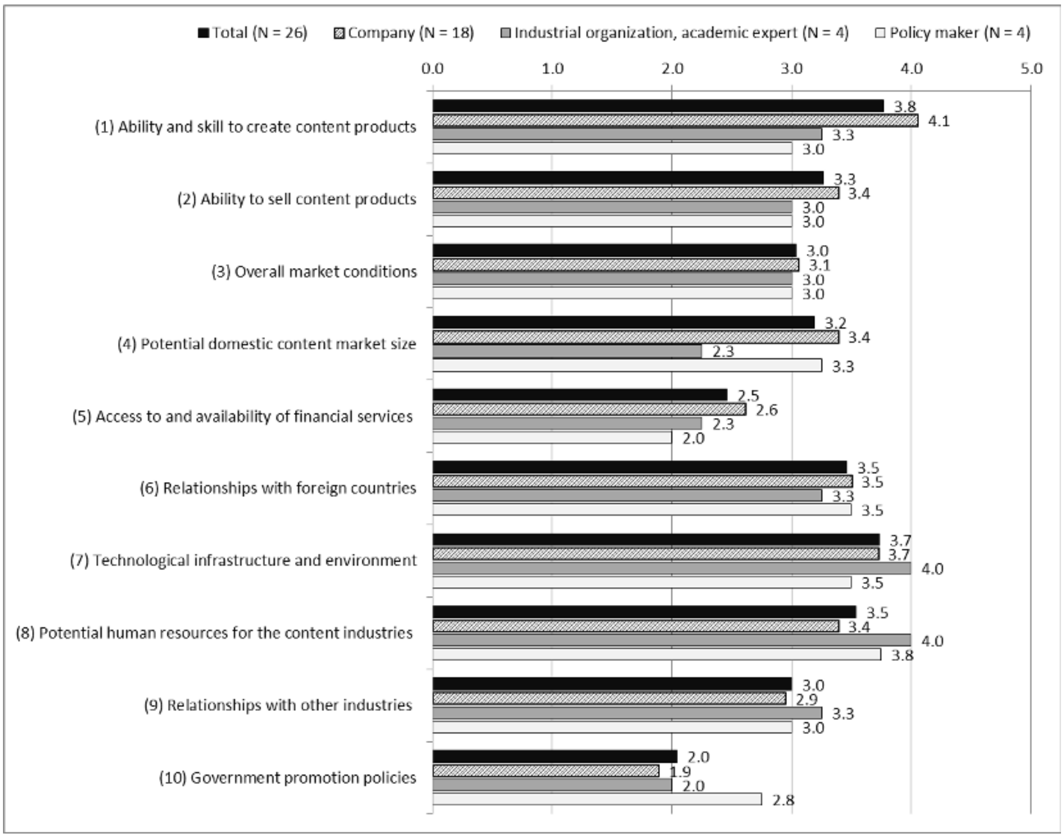
‘Government promotion policies’ (10) and ‘access to and availability of financial services’ (5) are considered weaknesses. Item (10) has the lowest score among company respondents, while (5) was lowest among policymakers.

Figure 12-1: Strengths and Weaknesses



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 12-2: Strength and Weakness Score: Respondent Comparison



Source: Evaluation Survey of Content Industry Promotion Policies.

1.2. Current and Future Challenges

Figure 12-3 shows the results for current challenges facing the content industry. The most recognised issues are ‘spread of pirated content (need for content protection mechanism)’; ‘insufficient knowledge of overseas promotion, international business’; and ‘lack of funds, financial support’.

Many respondents call for more government support and intervention (Table 12-1). Another concern is the industry’s preparedness for overseas development and international competitiveness.

Figure 12-3: Current Challenges

Source: Evaluation Survey of Content Industry Promotion Policies.

Table 12-1: Free Descriptive Answers Regarding Current and Future Challenges

Category	Comment
Company	• Due to the rapid change in the digital content landscape, there will be more players and more market segments. Government intervention is required to support small and medium-sized enterprises [3,4/1,5] • Political instability in the country makes it more difficult for the industry to grow domestically [3,4/1,5] • Necessity of consistent and continuous government incentives and support [2,3,4/1,2,7] • Difficulty in raising funds or investment for film productions, necessity of gathering ideas from industry leaders on how to improve the media industry [1,3/7] • Difficulty in choosing language to be used in content once the ASEAN Economic Community is established. (Thai for domestic distribution or English for basic market access opportunities.) This issue will affect decisions to invest in content production. [1/3,5] • Difficulty in creating content that serves the interests of both production and marketing [3/1]
Industrial Organisation, Academic Expert	• Insufficient co-production, funding, and market opportunities [-/-]
Policymaker	• Difficulty in producing creative content for specific markets, e.g. North America, Europe, Asia, Latin America, etc. • Fierce competition expected

Note: Numbers after each comment describe the sector and operation the respondent is engaged in. [1 = TV programme, 2 = film, 3 = animation, 4 = games, 5 = music, '-' = no response / 1 = production, 2 = post-production, 3 = broadcasting, 4 = distribution, 5 = sales, 6 = purchase/aggregation, 7 = manufacturing, '-' = no response]
Source: Evaluation Survey of Content Industry Promotion Policies.

1.3. Strength/Weakness, Opportunity/Threat (SWOT) Analysis: Update of the FY2012 Report

The update of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report) (Table 5-2) takes into account the survey results as well as recent market trends (Chapter 2) and policies (Chapter 4).

Thailand is considered to have strengths in technology infrastructure and environment, ability and skills to create content products, and potential human resources. Utilising these strengths, Thailand has seen a fast-growing domestic market and advancing overseas development by domestic entrepreneurs, with successful ripple effects on tourism and other fields.

Government promotion policies and access to and availability of financial services or lack of funds are considered weaknesses by the industry, which expects them to be improved. Although Thailand enjoys high market growth through production and distribution of various content products, the spread of pirated content poses a serious challenge and threatens further industry development. It is advised that these issues be addressed and solved through policy implementation.

There are also challenges in utilising the industry's strengths in relationships with foreign countries, since the majority of respondents still consider insufficient knowledge of overseas promotion and international business a weakness.

2. Policy Evaluation

2.1. Overall Evaluation

Figure 12-4 shows the survey results for the overall assessment of related policies. Sixteen out of 24 (66 percent) respondents indicate negative evaluation ('not successful').

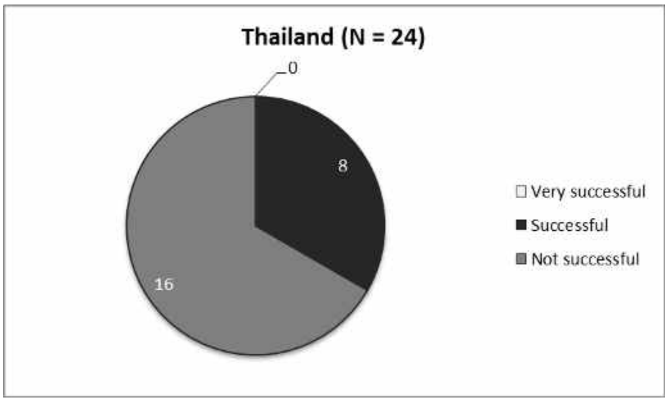
Figure 12-5 shows the score for each respondent category, indicating the gap between stakeholders.

Table 12-2: SWOT Analysis: Thailand

Internal	
Strengths	**Weaknesses**
● Fast-growing and potential domestic market ● High quality of digital content production, service equipment, post production, and manpower ● A variety of film locations and good facilities ● Strong relationships with other countries (e.g. co-production experience with major players in China and other countries in the region) ● Some major cases of ripple effect on tourism	● Insufficient government promotion policies ● Relatively limited government support to private companies (e.g. financing and capacity building) ● Insufficient human resource development programme ● Limited access to and availability of financial services, including government funds ● Spread of content piracy
Opportunities	**Threats**
● Large population and high potential for growth in a variety of fields ● Growing spending power along with growing economy and growing middle class ● Transition toward terrestrial digital broadcasting ● Single integrated market for 10 ASEAN nations by 2016	● Low gross domestic product per capita ● Unstable power supply in some upcountry areas ● Lack of legal enforcement to combat content piracy ● Insufficient measures such as tax incentives and other privileges for entrepreneurs in the country and abroad ● Vertically segmented administration and regulations ● Legal issues in classification of content, which hinder creativity and promotion of new content
External	

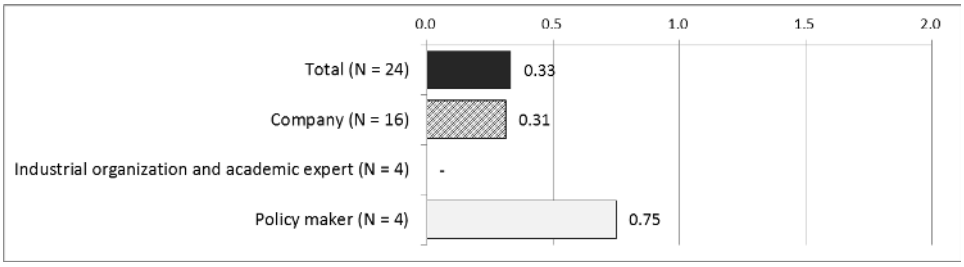
ASEAN = Association of Southeast Asian Nations; SWOT = strength/weakness, opportunity/threat.
Source: Authors**.**

Figure 12-4: Overall Assessment of Content Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 12-5: Overall Assessment of Content Policies: Score per Respondent Category



Note: Figures indicate weighted average of number of respondents and weight (very successful = 2, successful = 1, not successful = 0).

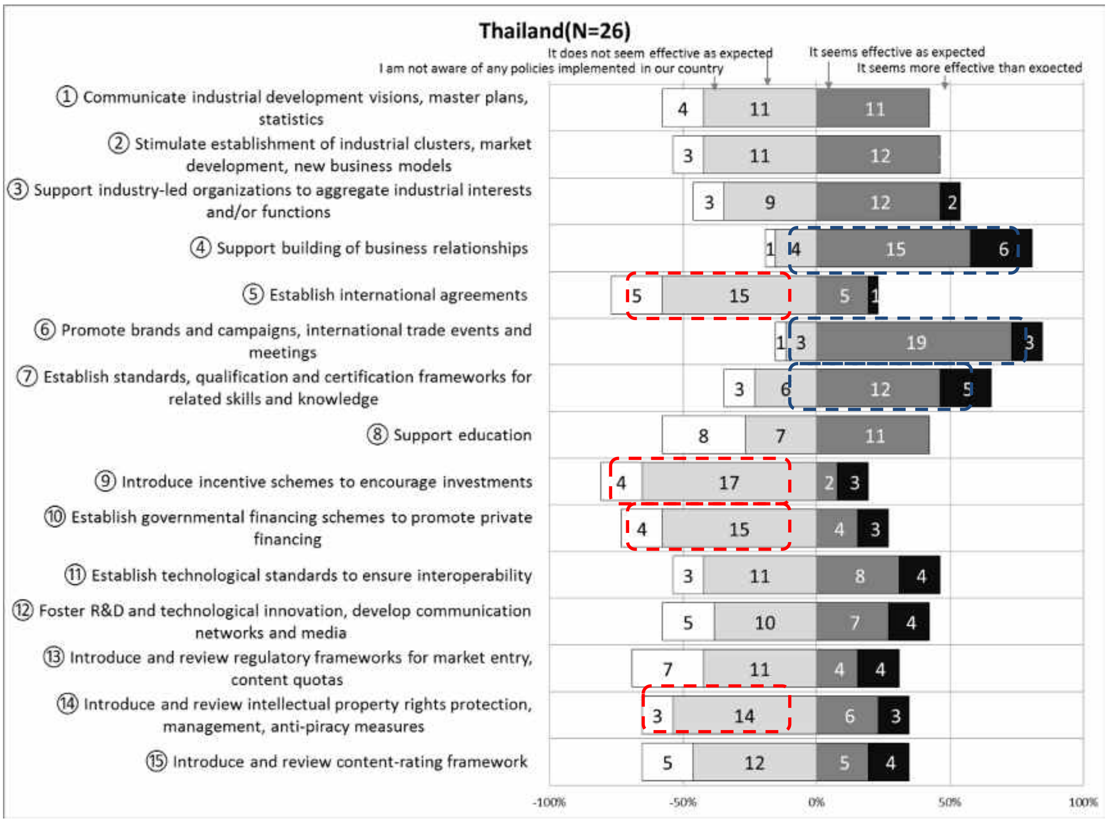
Source: Evaluation Survey of Content Industry Promotion Policies.

2.2. Effectiveness of Current Policies

Figure 12-6 shows the survey results on implementation awareness and policy effectiveness. The results indicate the respondents' awareness of how the policies meet their expectations. Policies #3 (Support industry-led organisations to aggregate industrial interests and/or functions); #4 (Support building of business relationships); #6 (Promote brands and campaigns, international trade events and meetings); and #7 (Establish standards, qualification and certification frameworks for related skills and knowledge) are supported by the majority of respondents.

Policies #9 (Introduce incentive schemes to encourage investments) and #10 (Establish government financing schemes to promote private financing) have many negative votes corresponding to 'access to and availability of financial services' (Section 1.1). Improving and stimulating related policies should help the industry overcome this weakness.

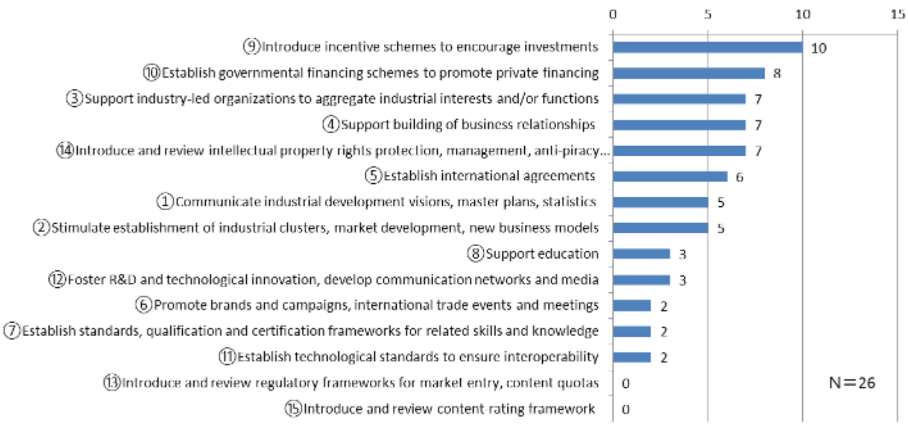
Figure 12-6: Policy Effectiveness



Source: Evaluation Survey of Content Industry Promotion Policies.

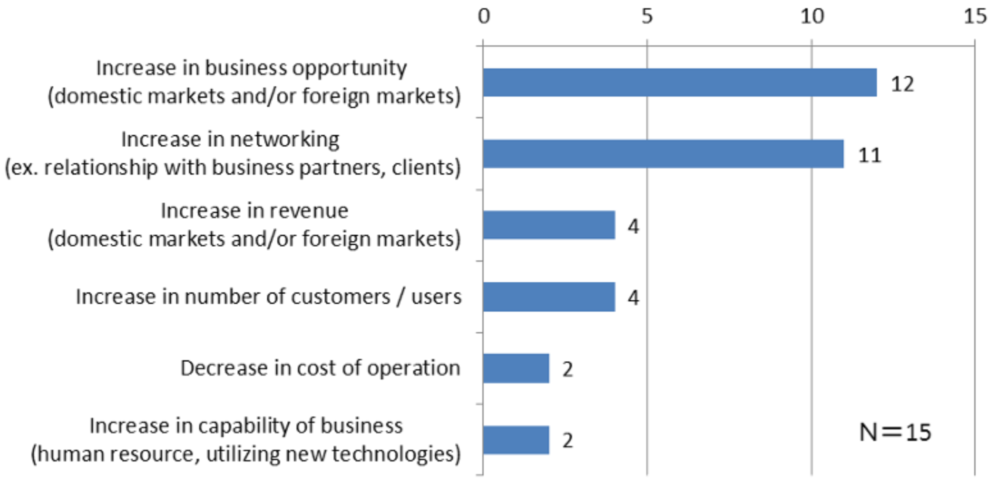
Figure 12-7 shows, in descending order, the policies considered to be highly effective. Policy #9 (Introduce incentive schemes to encourage investments) has the most votes. Figure 12-8 describes the effects and outcomes that have resulted from the policy. Most respondents have enjoyed increased business opportunities and networking with business partners and clients.

Figure 12-7: Policies Regarded as Effective



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 12-8: Effects and Outcomes as a Result of Policy #9 (Introduce incentive schemes to encourage investments)

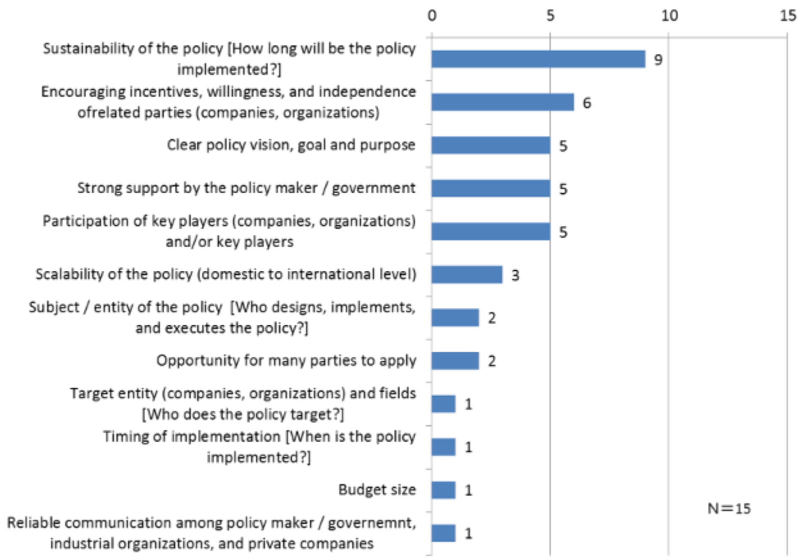


Source: Evaluation Survey of Content Industry Promotion Policies.

2.3. Key Success Factor

Figure 12-9 shows what respondents consider an important element (key success factor) for maximising the effectiveness of policy #9 (Introduce incentive schemes to encourage investments). The majority of respondents consider the policy's sustainability the most important element. The government is expected to continue promoting brands and campaigns to encourage the industry.

Figure 12-9: Key Success Factor of Policy #9 (Introduce incentive schemes to encourage investments)

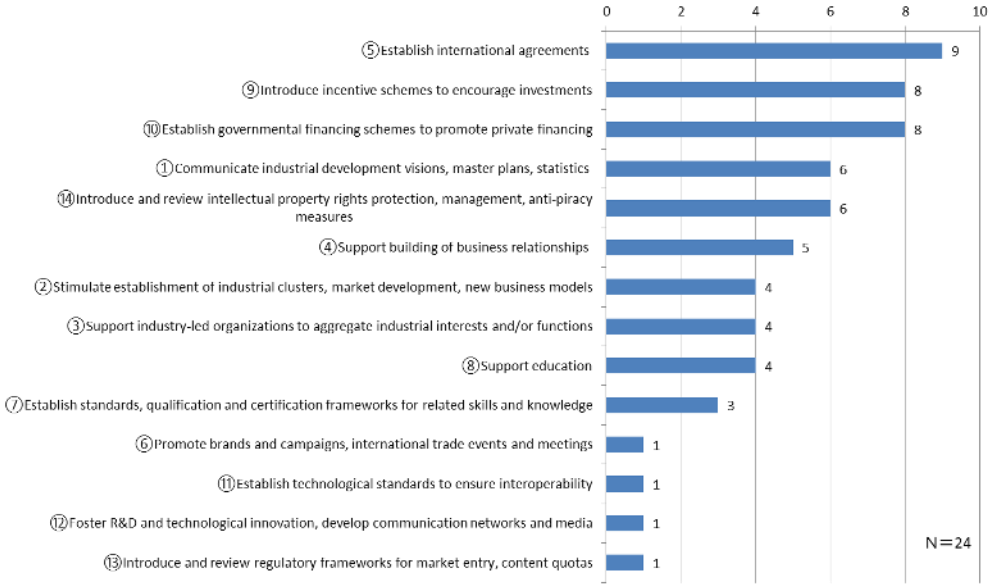


Source: Evaluation Survey of Content Industry Promotion Policies.

2.4. Challenges

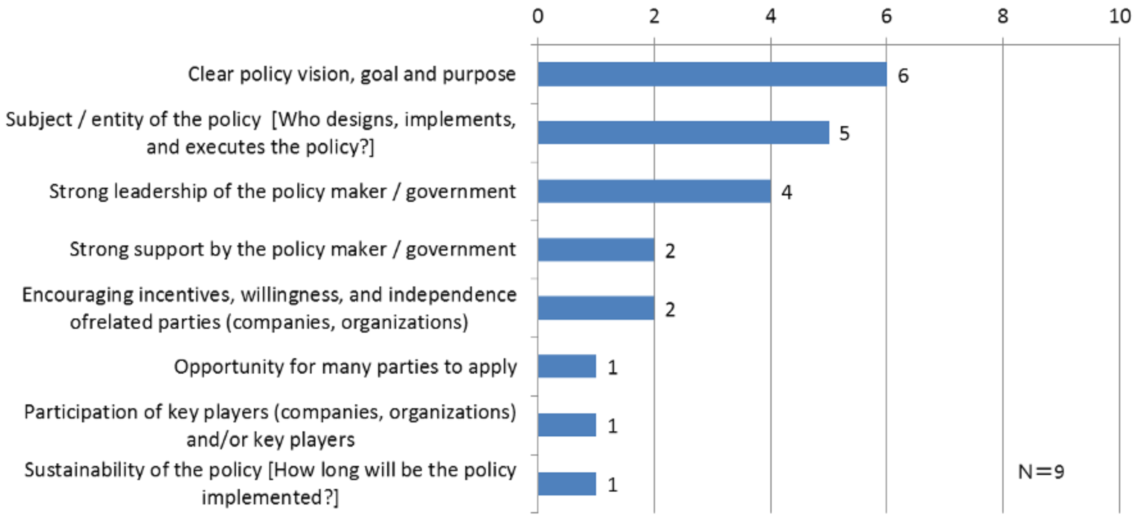
Figure 12-10 shows the policies considered to face challenges. Policy #5 (Establish international agreements) has the most votes. Figure 12-11 shows that many respondents consider clear policy vision, goal, and purpose as key to overcoming the challenge.

Figure 12-10: Policies Needing Improvement



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 12-11: Difficulties and Constraints of Policy #5 (Establish international agreements)



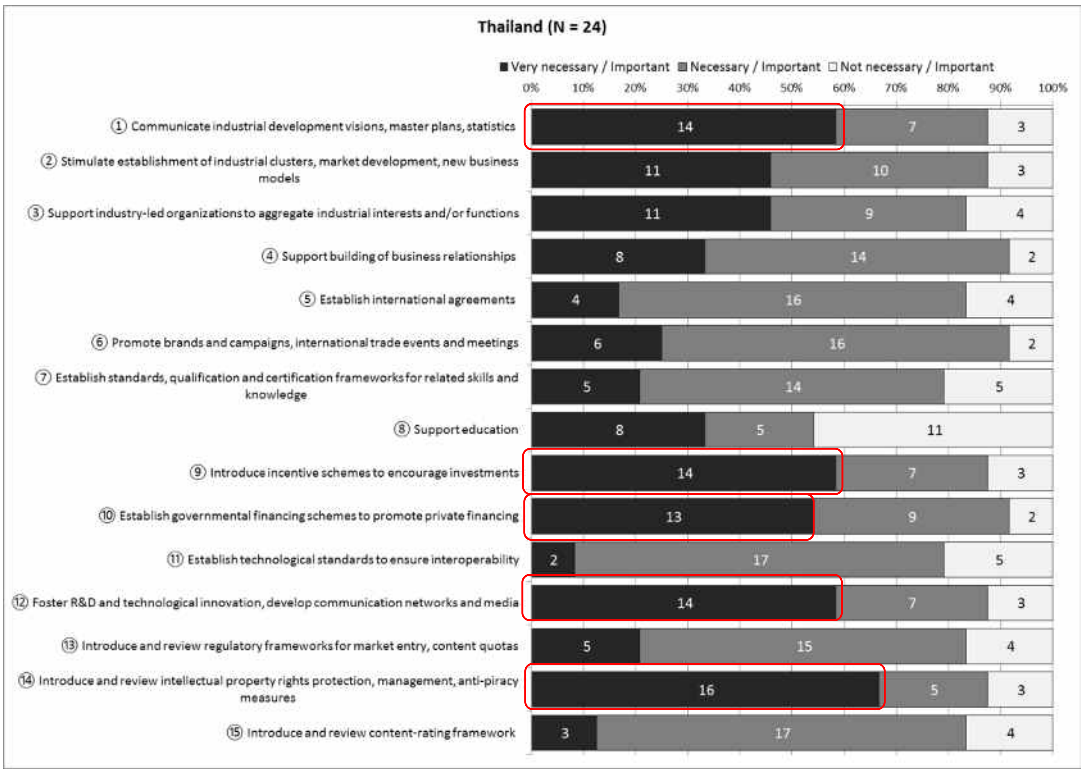
Source: Evaluation Survey of Content Industry Promotion Policies.

2.5. Necessity of Current Policies and Expectations

Figure 12-12 shows the survey results on necessary policy. Considered the most necessary is policy #14 (Introduce and review intellectual property rights protection and management and anti-piracy schemes).

Figure 12-13 shows the respondents' expectation of policies, irrespective of current implementation. The majority of respondents expect an increase in revenues and business opportunities.

Figure 12-11: Necessity of Policies

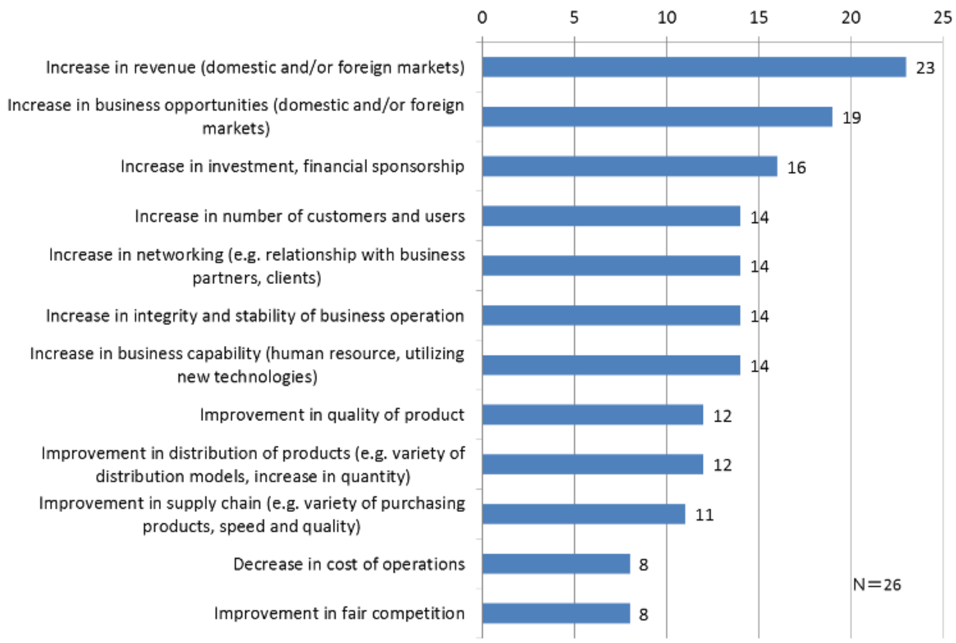


Source: Evaluation Survey of Content Industry Promotion Policies.

2.6. Policy Prioritisation

Figure 12-14 maps the effectiveness and necessity of each policy. The figures are converted into deviation values to relatively map the results. Each plot describes the policy activity. There is high demand for policies #1 (Communicate industrial development visions, master plans, statistics), #2 (Stimulate establishment of industrial clusters, market

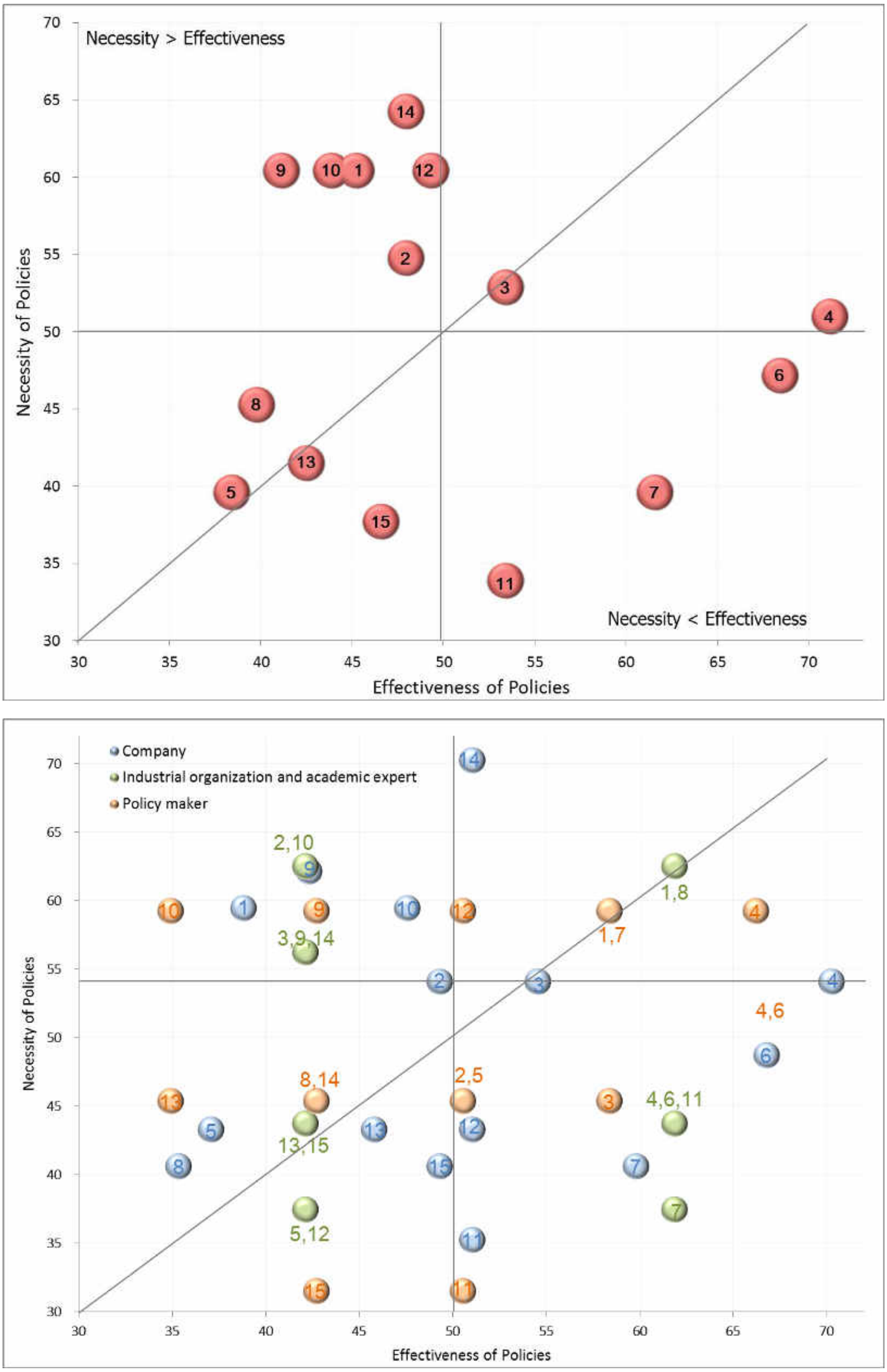
Figure 12-12: Expectation of Implemented Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

development, new business models), #9 (Introduce incentive schemes to encourage investments), #10 (Establish governmental financing schemes to promote private financing), #12 (Foster research and development and technological innovation, develop communication networks and media), and #14 (Introduce and review intellectual property rights protection and management, anti-piracy measures) although the current policies do not seem to meet stakeholders' expectations. Effectiveness of policies #6 (Promote brands and campaigns, international trade events and meetings), #7 (Establish standards, qualification and certification frameworks for related skills and knowledge), and #11 (Establish technological standards to ensure interoperability) significantly exceeds necessity. Table 12-3 describes the overall analysis results. It provides the performance indicator for each policy activity, describing the priority level, or the relative distance between necessity and effectiveness (see Chapter 1 for a more detailed explanation of a performance indicator). The results also show that policies #9 and #10 (finance) have the highest priority for improvement.

Figure 12-13: Effectiveness vs. Necessity of Policies (above: average, below: by category)



Source: Evaluation Survey of Content Industry Promotion Policies.

Table 12-3: Analysis Results of Policy Evaluation

Policy Area	Policy Activities	Performance	CV Effectiveness, %	CV Necessity, %
Industry and Market Development	1. Communicate industrial development visions, master plans, statistics	- 10.8	19	2
	2. Stimulate establishment of industrial clusters, market development, new business models	- 4.9	8	13
Organisational Scheme, Business Relationship	3. Support industry-led organisations in aggregating industrial interests and/or functions	0.3	13	9
	4. Support building of business relationships	14.2	5	12
International Relationship	5. Establish international agreements	- 0.9	13	8
	6. Promote brands and campaigns, international trade events and meetings	15.0	3	13
Human Resources	7. Establish standards, qualification and certification frameworks for related skills and knowledge	15.5	2	21
	8. Support education	- 4.0	24	19
Finance	9. Introduce incentive schemes to encourage investments	- 13.7	1	4
	10. Establish governmental financing schemes to promote private financing	- 11.8	12	2
Technology	11. Establish technological standards to ensure interoperability	13.7	10	14
	12. Foster research and development and technological innovation, develop communication networks and media	- 7.9	9	20
Legal Framework	13. Introduce and review regulatory frameworks for market entry, content quotas	0.6	11	2
	14. Introduce and review intellectual property rights protection and management, anti-piracy measures	- 11.6	9	18
	15. Introduce and review content-rating framework	6.2	7	13

CV = coefficient of variation (variation among respondent categories).

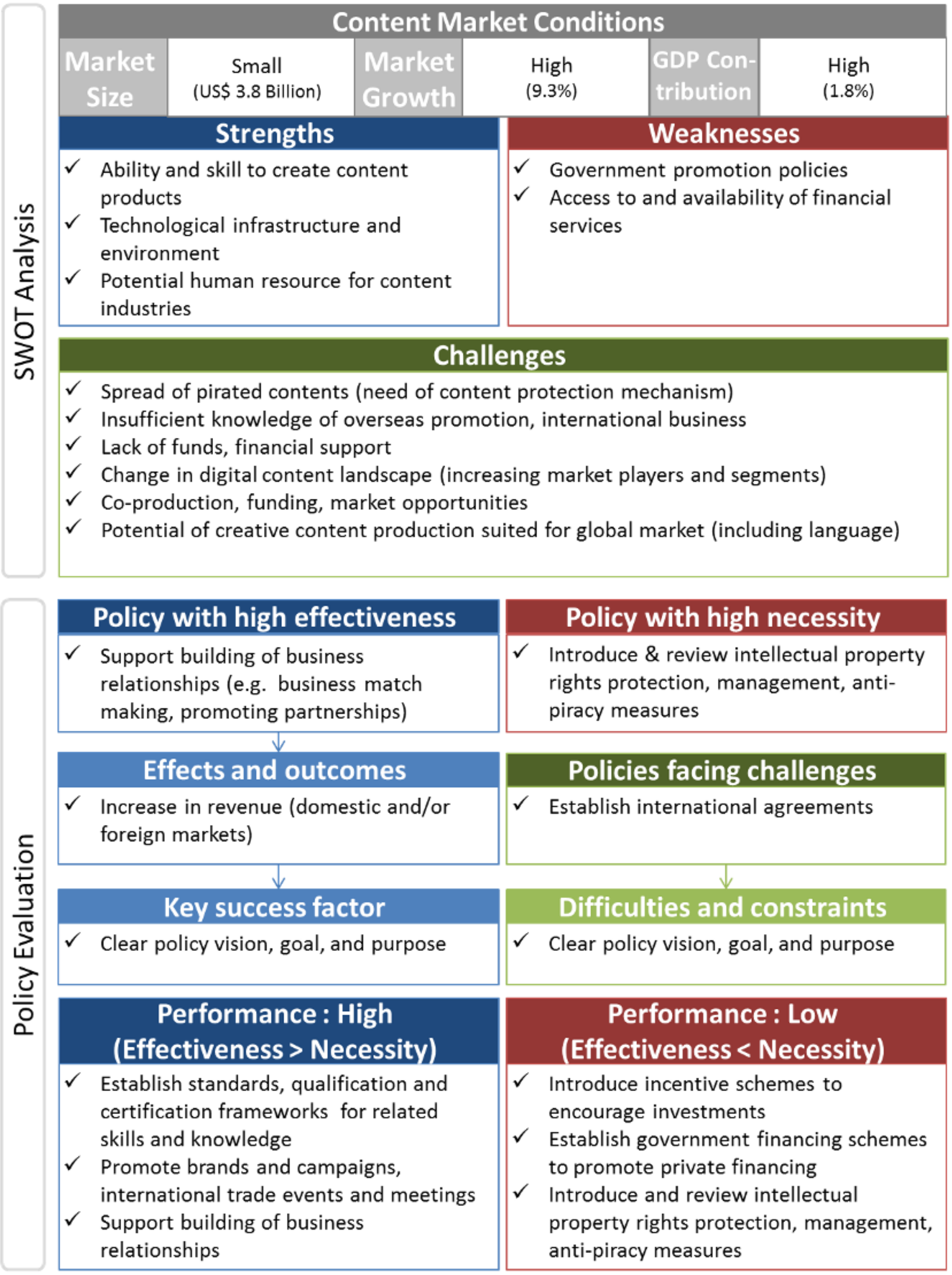
Note: 'Performance' indicates the relative distance where: (a) Figures above zero: Effectiveness outperforms necessity/expectation; (b) Figures below zero: Effectiveness underperforms necessity/expectation.

Source: Authors based on Evaluation Survey of Content Industry Promotion Policies.

3. Summary

Figure 12-15 summarises the results.

Figure 12-15: Overall Results: Thailand



GDP = gross domestic product.

Source: Authors.

The government has introduced initiatives to develop the country into a more value-added economy and increase the value share of the creative economy, and has provided funds to boost the country's creative industries. Thailand has also focused on strengthening the role of information and communication technology, which supports the development of environment-friendly growth. The content industry is also highly expected to contribute to the country's growth.

As a result of these efforts, the content industry has high market growth and high contribution to gross domestic product. It has developed strengths in ability and skills to create content products, as well as technological infrastructure and environment. The government policies have seen high effectiveness in support of building business relationships (e.g. business match making and promoting partnerships), inducing increased company revenue. Also seeing high performance are the policies on establishing standards, qualification and certification frameworks for related skills and knowledge, and promoting brands and campaigns.

On the other hand, the industry still recognises insufficient government promotion policies as a weakness, especially in financial policy and particularly lack of funds and financial support. The performance of policy activities in this area has the highest priority for improvement among the policies. Widespread content piracy and the growing demand to strengthen the framework for intellectual property rights protection and anti-piracy measures are also issues. Practical schemes such as establishing international agreements could induce the industry to produce content products for the global market.

CHAPTER 13

Policy Evaluation: Region—Eight Countries

This chapter examines the survey results for all member countries from a regional perspective. The first section investigates the strengths and weaknesses of and challenges to the content market and industry in the region by looking at stakeholders' recognition tendency, which is integrated into the strength/weakness and opportunity/threat (SWOT) matrix. The second section explores how stakeholders in each country evaluate their government's policies, especially in areas where they strongly recognise the need for government policies but where existing policies have not yet met their expectations. The last section recommends areas that policymakers should prioritise when planning and implementing content industry policies.

1. SWOT Analysis

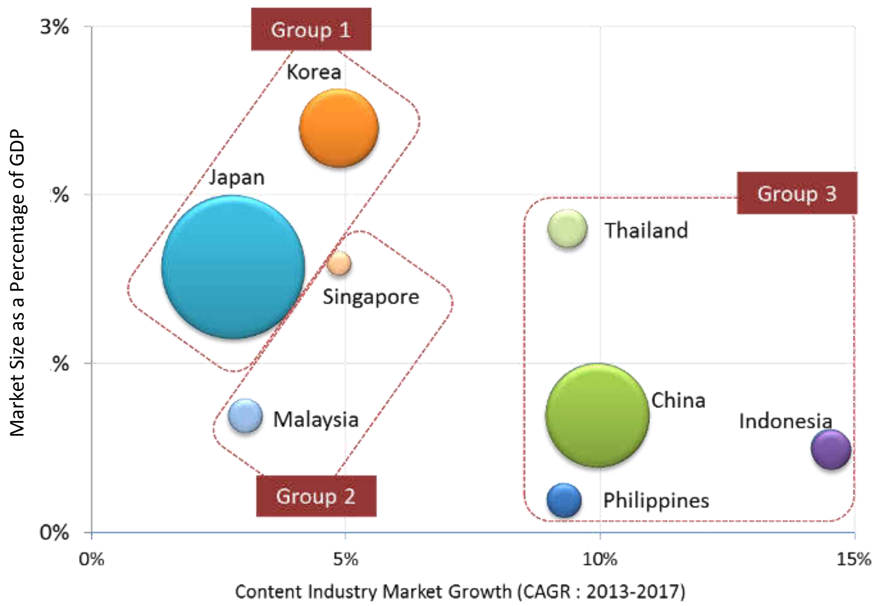
1.1. Strengths and Weaknesses

Here we examine the answers to the questions on recognition of the content market and industry. After regional strengths and weaknesses are reviewed, the eight countries are examined for similarities at similar stages of development.

The countries are classified into three groups based on content market growth rate, content market size, and ratio of content market size to gross domestic product (GDP) (Figure 13-1). The horizontal axis shows the ratio of content market size to GDP whilst the vertical axis shows the rate of content market growth. The circles represent the size of each country's domestic market. Group 1 (Korea and Japan) has a relatively large domestic content market where ratio to GDP is higher than one percent, but whose growth slowdown is five percent or less. Group 2 (Singapore and Malaysia) also possesses relatively developed industries, although market size and ratio of content market size to GDP are smaller than those of Group 1. Group 3 (Thailand, China, Indonesia, and the

Philippines) has domestic content markets with high growth rates at 10 percent or more, but the ratios of market size to GDP are relatively low. Market size varies from country to country.

Figure 13-1: Comparison of Content Industries in Member Countries



Group	Country	Growth Rate of Content Market	Current Size of Content Market	Market Size as a Percentage of GDP
Group 1	Korea, Japan	~5% developed, mature	Large	Relatively high
Group 2	Singapore, Malaysia	~5% developed, mature	Small	Relatively low
Group 3	Thailand, China, Indonesia, Philippines	~10% developing	Various	Relatively low

CAGR = compound annual growth rate, GDP = gross domestic product.

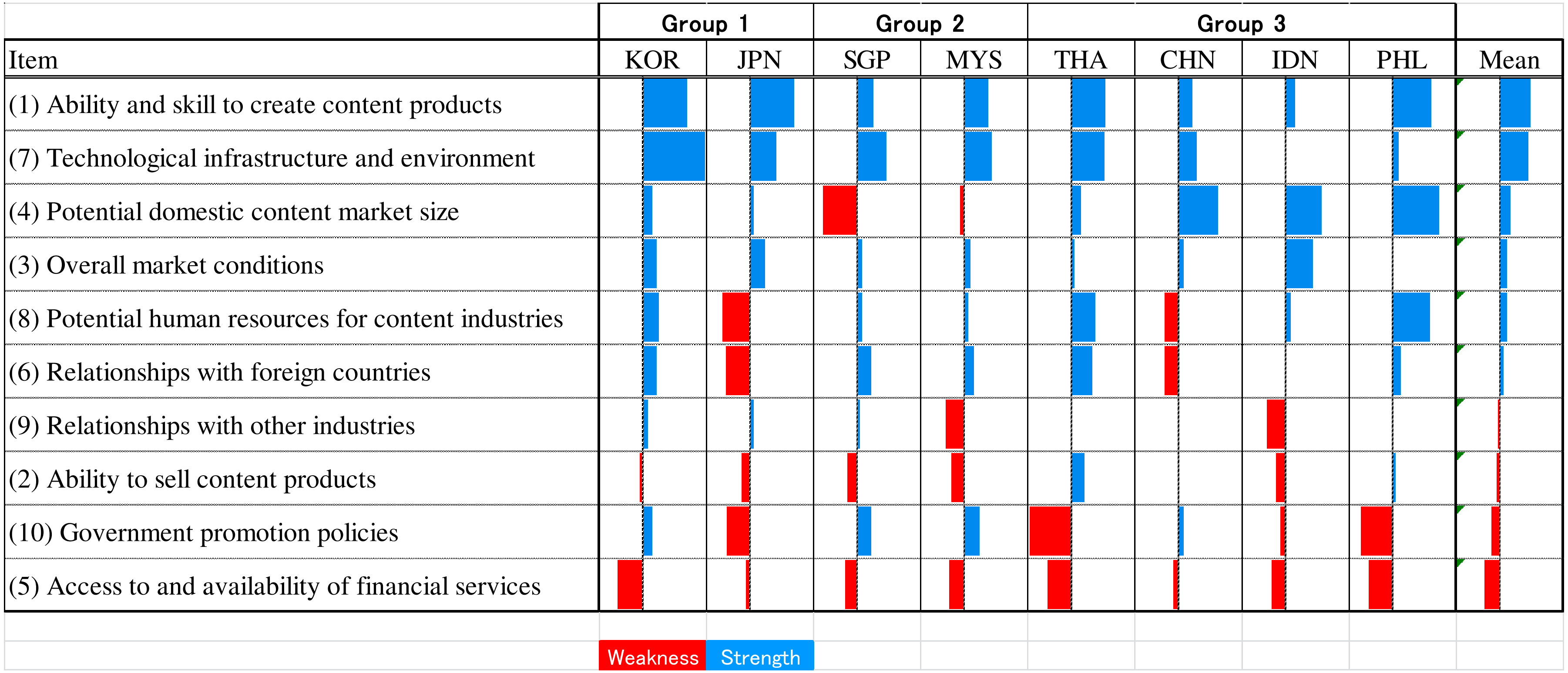
Source: PricewaterhouseCoopers, ‘Entertainment and Media Outlook 2013–2017’ (growth rate of content market); ‘Study on the Development Potential of the Content Industry in East Asia and ASEAN Region’ (FY2012 Report) (market size as a percentage of GDP).

Table 13-1 summarises stakeholders’ recognition according to the questionnaire survey answers. Each cell describes the level of strength (blue) or weakness (red) based on the survey results’ normalised figure. Figure 13-2 describes the mean and variance of each item. The horizontal axis shows the mean and the vertical axis shows coefficient of variation (CV). The CV describes the degree of variances among countries, with a high CV indicating that the evaluation of the item varies among countries.

Table 13-1 and Figure 13-2 demonstrate that ‘ability and skill to create content products’ (2) is recognised as a strength by all countries, and ‘technological infrastructure and environment’ (7) by all except Indonesia, which recognises (7) as neither a strength nor weakness. The eight countries consider ‘access to and availability of financial services’ (5) a weakness. It is hard to predict which content will sell enough to make it worth the investment, which may be why most Asian content industries need to raise funds. Most of the eight countries’ governments seem to be aware of the issue and have already implemented or are planning to implement measures to make it easier for content companies to access funding (Chapter 4). To overcome this common issue, follow-up observation is necessary to verify which measures are effective and what factors make them successful. Looking into how content industries in other parts of the world such as North America or Europe raise funds could be a way of finding solutions.

Evaluation of ‘potential domestic content market size’ (4), ‘relationships with foreign countries’ (6), ‘potential human resources for content industries’ (8), and ‘government promotion policies’ (10) varies among countries (II); some countries recognise them as strengths and others as weaknesses (Figure 13-2). In these areas, countries can benefit from collaborating with or learning from each other to compensate for their weaknesses. Singapore and Malaysia regard ‘potential domestic content market size’ (4) as a weakness.

Table 13-1: Strengths and Weaknesses: Country Comparison

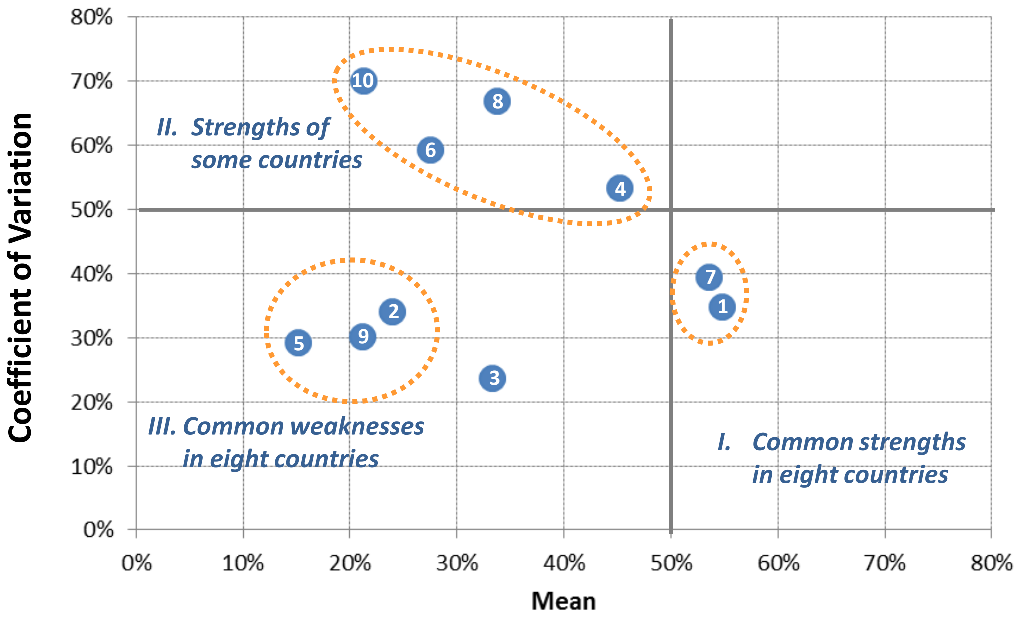


CHN = China, IDN = Indonesia, JPN = Japan, KOR = Korea, MYS = Malaysia, PHL = Philippines, SGP = Singapore, THA = Thailand.

Note: The chart describes the weighted average of (1) number of respondent choices (very strong, strong, moderate, weak, very weak) in the questionnaire, and (2) the score (2/1/0/-1/-2). Therefore, a positive value represents a tendency towards strengths, and a negative value towards weaknesses.

Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 13-2: Mean and Variances of Strengths and Weaknesses



(1) Ability and skill to create content products
(2) Ability to sell content products
(3) Overall market conditions
(4) Potential domestic content market size
(5) Access to and availability of financial services
(6) Relationships with foreign countries
(7) Technological infrastructure and environment
(8) Potential human resources for content industries
(9) Relationships with other industries
(10) Government promotion policies

Source: Authors

Some companies in these countries are overcoming it by strengthening relationships with nearby emerging markets (see case studies in Chapter 5, 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' [FY2012 Report]). China and Japan regard 'relationships with foreign countries' (6) as a weakness as they have significant domestic content markets. Their content companies do not, therefore, need to exert extra effort to penetrate overseas markets—at least not until recently—which might be one reason they have yet to build good relationships with other countries. More and more companies in China and Japan, however, are putting an effort into selling their creative works or to co-produce creative works with overseas companies. At the same time, both governments are implementing measures to encourage companies' overseas business.

The eight countries, divided into three groups in Section 1.1, are now examined for similarities at a similar stage of development.

- Group 1: Japan and Korea

There is not much similarity between Japan and Korea. The biggest difference between them is that stakeholders in Japan strongly regard 'relationships with foreign countries' (6) and 'potential human resources for content industries' (8) as weaknesses, whilst stakeholders in Korea regard them as strengths. Korean stakeholders' confidence might be the result of the recent popularity of Korean pop culture in the region, or strong government initiatives to invest in human resource development (Chapter 4). Such wide popularity of Korean content, however, does not yet seem to contribute to enhanced recognition and ability to sell content products (2). Enabling easier access to financial services (5) and fostering business skills to sell content products (2) could be the main focus in Korea. As for Japan, the recognition of human resources (8) and 'relationships with foreign countries' (6) as weaknesses might be due to the fact that Japan's content industry is undergoing a transformation. Japan has a large domestic content market and most content companies recoup their investment in Japan. Market conditions, however, are becoming severe, and as market needs become diverse as the market matures, it is becoming more difficult to hit it big solely in the domestic content market. There are emerging countries with popular content, including Korea; Japan's domestic content market is expected to shrink due to population decline. More and more companies are eager to do business in other countries with overseas partners. Government support for their efforts does not yet seem to contribute to increased recognition of being able to adjust to the fast-changing business environment, especially in such areas as human resource development or facilitation of international relationships. The strong awareness of ‘government promotion policies’ (10) as a weakness might mean that Japan’s private sector recognises that government policies are necessary for it to overcome challenges.

- Group 2: Malaysia and Singapore

A high degree of similarity is observed between Singapore and Malaysia. Both countries regard ‘potential domestic content market size’ (4), ‘ability to sell content products’ (2), and ‘access to and availability of financial services’ (5) as weaknesses and the others as strengths; Malaysia regards ‘relationships with other industries’ (9) as a weakness. Since relationships with other industries are very important in the content industry, where companies monetise creative works through merchandising or licensing rather than selling the work itself, it is worth noting such recognition and taking measures to facilitate relationship building.

- Group 3: China, Indonesia, the Philippines, and Thailand

The most important characteristic of this group is the rapid growth of domestic content markets. The countries commonly recognise ‘potential domestic content market size’ (4) as a strength. Stakeholders in Thailand and the Philippines strongly regard ‘government promotion policies’ (10) and ‘access to and availability of financial services’ (5) as weaknesses, whilst positively (or at least not negatively) evaluating the rest of the items. China and Indonesia have the fastest-growing content markets and huge populations. Content companies around the world are striving to penetrate China and Indonesia, but their stakeholders do not recognise the same strengths and weaknesses. Apart from (5), China regards ‘potential human resources for content industries’ (8) and ‘relationships with foreign countries’ (6) as weaknesses; Indonesia regards ‘relationships with other industries’ (9), ‘ability to sell content products’ (2), and ‘government promotion policies’ (10) as weaknesses.

The results suggest that, in most cases, the content industries in the region differ greatly, even though the statistical data are similar. Therefore, when considering a country as a role model and planning to adopt its successful policy measures, it is necessary to assess whether the measures would meet industry demand and whether they would be appropriate to overcome challenges, compensate for weaknesses, or further develop strengths.

1.2. Current Challenges

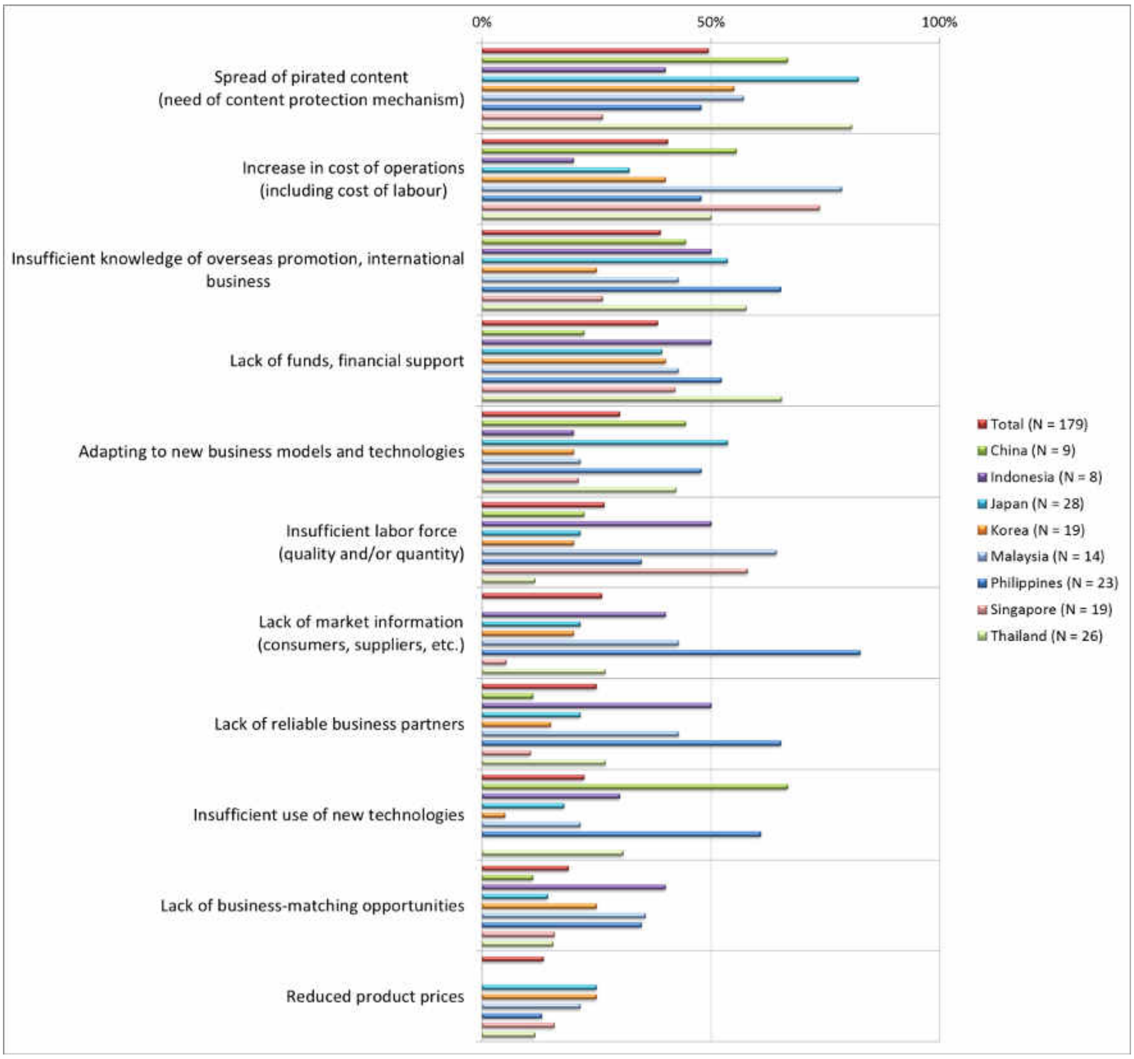
Figures 13-3, 13-4, and 13-5 show what respondents recognise as challenges. Answers are classified by country (Figure 13-3) and respondent category (Figure 13-4). Answers by companies are classified by the size of their annual turnover (Figure 13-5).

The spread of pirated content is the most serious and common challenge facing the region's content industry (Figure 13-3), and is recognised as critical by most respondents—companies, industrial organisations, academic experts, and policymakers (Figure 13-4). Piracy is more problematic for larger companies (Figure 13-5) although this does not necessarily mean that it is not an issue for smaller ones. Smaller companies may regard other issues as more serious, such as the increase in cost of operations (including cost of labour), lack of funds, and insufficient knowledge of overseas promotion and international business. Considering that online and offline piracy is pervasive regardless of national borders, it cannot be solved through the efforts of just a few countries but by continuous regional cooperation, with measures taken by companies, industrial organisations, and governments. Building networks can be the first step to enhance knowledge sharing on effective measures and collective action against piracy.

Many member countries also confront issues related to the increase in cost of operations and insufficient labour force. Respondents from China, Malaysia, and Singapore regard the increase in cost of operations (including cost of labour) as a major issue, while those from Indonesia, Malaysia, and Singapore point to insufficient labour force. These issues might be due to the labour-intensive nature of the content or creative industry in general. Cross-border job sharing (outsourcing) would be one possible solution to the increase in cost of labour and insufficient labour force, which could also contribute to developing less skilled and less expensive labour forces in some parts of the region. More company respondents than policymakers are concerned about the increase in cost of labour (Figure 13-4). Policymakers should, therefore, consider this issue when they support small and medium-sized enterprises.

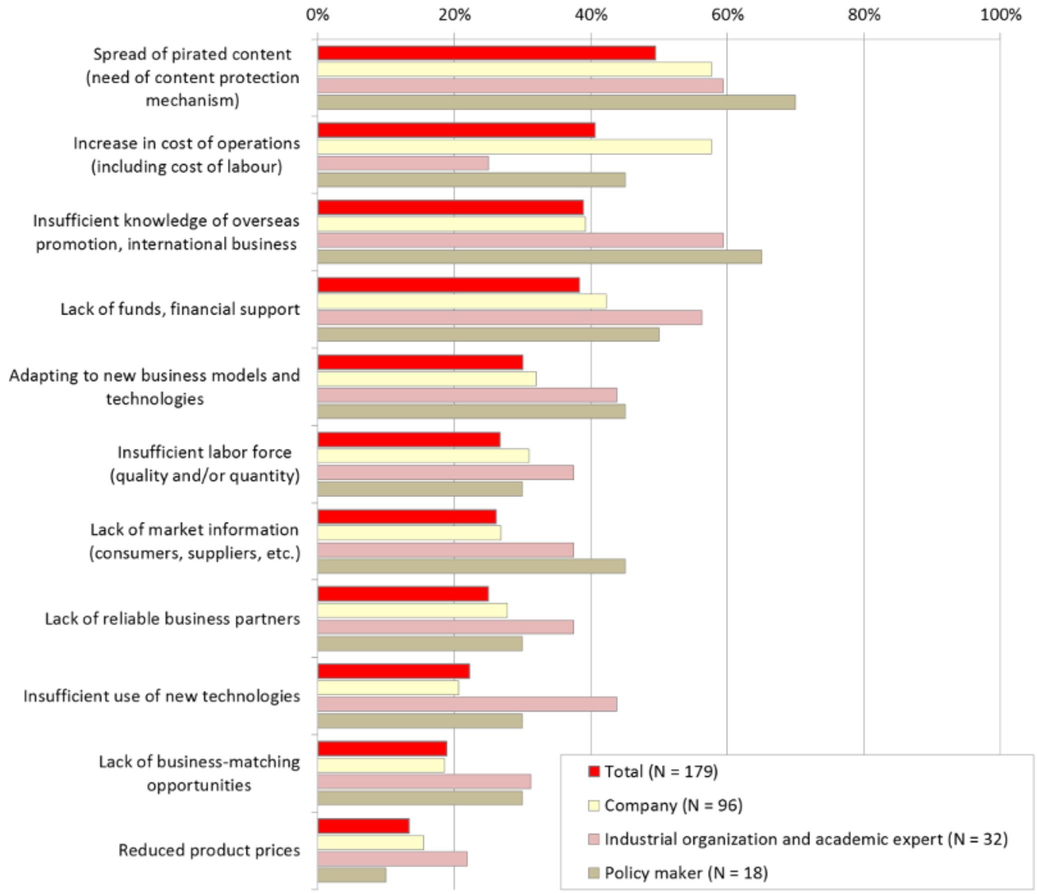
Other challenges such as adapting to new business models and technologies and lacking reliable business partners are issues in some countries but not in others. Small, medium-sized, and large companies often have different recognition of urgent issues (Figure 13-5). For example, large companies are more strongly aware of the spread of pirated content. In contrast, medium-sized companies regard as more serious the 'increase in cost of operations (including cost of labour)' and 'lack of funds and financial support'. For small companies, 'insufficient knowledge of overseas promotion and international business' is a bigger issue. This implies that when policymakers develop support plans, they must identify the companies to target, and verify their most critical issues so that their needs can be met and objectives achieved.

Figure 13-3: Current Challenges: Survey Results



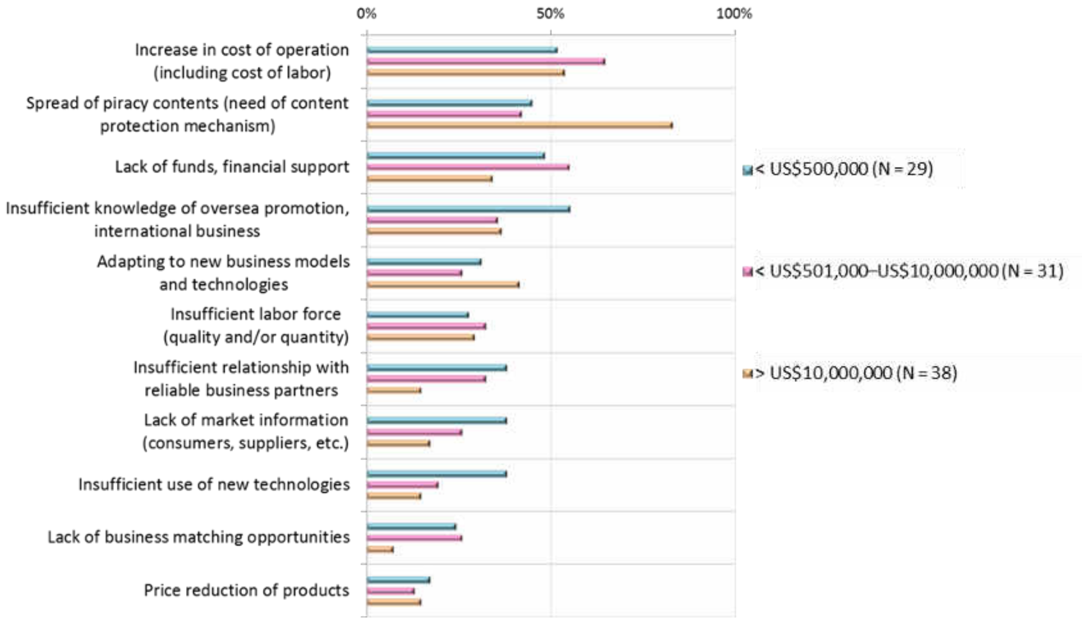
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 13-4: Current Challenges: Survey Results by Respondent Category



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 13-5: Current Challenges: Survey Results by Company Annual Revenue



Source: Evaluation Survey of Content Industry Promotion Policies.

1.3. SWOT Analysis Matrix

The analysis of survey results is integrated into the SWOT analysis matrix in the FY2012 Report (Table 13-2). This matrix is not a simple sum of each country's SWOT matrix, but a SWOT matrix from a regional perspective and does not include what applies to only certain countries.

Table 13-2: SWOT Analysis: Summary of Member Countries

Internal	
Strengths	**Weaknesses**
● Most countries have abilities and skills that can be further developed for content creation. ● Many countries have advanced technological environments. ● Some countries can create content at relatively low operation (labour) cost.	● Widespread content piracy ● Limited access to financial services for content business ● Little accumulated knowledge and few successful experiences in the global content business ● Increasing operation (labour) cost, especially in fast-developing countries
Opportunities	**Threats**
● The region's market is large and fast growing along with growth of gross domestic product. ● Content consumption is facilitated by technological development such as the introduction of terrestrial digital broadcasting; and by growing penetration of the Internet, broadband network, and portable devices. ● Global demand for creative goods and services is increasing.	● Competition in the global content market is becoming severe due to the increasing number of competent content companies in emerging countries. ● Some domestic markets are still at the initial development phase so that value-added goods or services are not differentiated and are purchased at a higher price. ● Language barriers interfere with market integration.
External	

Source: Evaluation Survey of Content Industry Promotion Policies; 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Report).

2. Policy Evaluation

This section looks at the evaluation of the 15 policy activities from a regional perspective. The first part identifies policy activities considered to be not effective enough to meet stakeholders' expectations. The results are also examined to see if they correspond to the weaknesses in the SWOT matrix. The second part evaluates the identified policy activities.

2.1. Performance of Each Policy Activity

Table 13-3 classifies the 15 policy activities used to analyse the relative performance in each country. (Chapter 3 explains the classification.)

Table 13-3: Policy Classification

Policy Area (subsection)	Policy Activities
Industry and Market Development	(1) Communicate industrial development visions and master plans and provide relevant statistics for benchmarking
	(2) Stimulate establishment of industrial clusters, promote market development that spurs content demand, foster new business models
Organisational Schemes, Business Relationships	(3) Support industry-led organisations in aggregating industrial interests and/or functions
	(4) Support building of business relationships
International Relationships	(5) Establish international agreements
	(6) Promote brands and campaigns, host or support participation in international trade events and meetings
Human Resources	(7) Establish standards for business skills, qualification and certification frameworks for related skills and knowledge
	(8) Support education
Finance	(9) Introduce incentive schemes to encourage investments
	(10) Establish government financing schemes to promote private financing
Technology	(11) Establish technological standards to ensure interoperability to increase adoption and usage
	(12) Foster research and development and technological innovation, develop communication networks and media to enhance distribution and consumption of content products
Legal Frameworks	(13) Introduce and review regulatory frameworks for market entry, content quotas
	(14) Introduce and review intellectual property rights protection and management and anti-piracy measures
	(15) Introduce and review content-rating frameworks

Each policy activity is evaluated using performance indicators, which show the relationship between necessity and effectiveness. (Chapter 1, Section 2.4.2, explains performance indicators.)

- A positive figure means that effectiveness is higher than necessity.
- A negative figure means that effectiveness is lower than necessity.

A negative performance indicator suggests that content industry stakeholders feel that the existing policy is necessary but not effective enough, or that no policy has been implemented. Policy activities with a negative performance indicator should, therefore, be prioritised.

Table 13-4 summarises the performance indicators derived for each country. For example, the policy considered to have the highest priority in Japan is #9 (Introduce incentive schemes to encourage investments). The colours indicate the level of priority based on the value. The table indicates that priorities vary among countries and that there is a certain level of tendency in the three groups.

- Group 1. The priority is highest for #9 (Introduce incentive schemes to encourage investments) in Korea and Japan.
- Group 2. The priority is highest for #10 (Establish government financing schemes to promote private financing), and relatively high for #1 (Communicate industrial development visions and master plans and provide relevant statistics for benchmarking), #5 (Establish international agreements), and #9 (Introduce incentive schemes to encourage investments) in Singapore and Malaysia.
- Group 3. Policy #10 (Establish government financing schemes to promote private financing) is the only policy activity that all four countries recognise as needing improvement (performance indicators are negative). Priority is highest for #4 (Support building of business relationships) in Indonesia and the Philippines but

not in Thailand and China, and high for #14 (Introduce and review intellectual property rights protection and management and anti-piracy measures) in Thailand, China, and Indonesia but not in the Philippines.

These results suggest that, to a certain extent, the need to implement and improve policies corresponds to the industry's development.

Table 13-5 summarises, in descending order, the 15 policies based on the performance indicator's mean. Figure 13-6 plots each policy activity in terms of mean and CV. The results indicate the following:

- Policy activities #2 (Stimulate establishment of industrial clusters, promote market development that spurs content demand, foster new business models), #4 (Support building of business relationships), #6 (Promote brands and campaigns, host or support participation in international trade events and meetings), #7 (Establish standards for business skills, qualification and certification frameworks for related skills and knowledge), #8 (Support education), #11 (Establish technological standards to ensure interoperability to increase adoption and usage), and #15 (Introduce and review content-rating frameworks). Effectiveness exceeds necessity, where the performance indicator is higher than 2.
- Policy activities #3 (Support industry-led organisations in aggregating industrial interests and/or functions), #12 (Foster research and development and technological innovation, develop communication networks and media to enhance distribution and consumption of content products), and #13 (Introduce and review regulatory frameworks for market entry, content quotas). Effectiveness matches necessity. The priority is high in some countries.
- Policy activities #1 (Communicate industrial development visions and

master plans and provide relevant statistics for benchmarking), #5 (Establish international agreements), #9 (Introduce incentive schemes to encourage investments), #10 (Establish government financing schemes to promote private financing), and #14 (Introduce and review intellectual property rights protection and management and anti-piracy measures). Effectiveness largely falls short of necessity, where the performance indicator is lower than -2, indicating that most of these policies need improvement.

The results suggest that, from a regional perspective, the policy areas and activities below have high priority:

Industry and market development

#1: Communicate industrial development visions, master plans, statistics

International relationships

#5: Establish international agreements

Finance

#9: Introduce incentive schemes to encourage investments

#10: Establish government financing schemes to promote private financing

Legal frameworks

#14: Introduce and review intellectual property rights protection management, anti-piracy measures

Comparing the weaknesses in the SWOT matrix with the high-priority policy areas and activities above, pervasive piracy corresponds to #14, while limited access to financial services corresponds to #9 and #10.

Table 13-4: Performance Indicator of Policy Activities: Eight Countries

Policy Area	Policy Activity	Group 1		Group 2		Group 3				Mean	CV
		KOR	JPN	SGP	MYS	THA	CHN	IDN	PHL		
Industry and Market Development	1. Communicate industrial development visions, master plans, statistics	1.7	-0.6	-7.3	-8.5	-10.8	-3.7	2.9	-1.8	-3.5	1.3
	2. Stimulate establishment of industrial clusters, market development, new business models	6.2	5.6	6.5	-5.5	-4.9	-3.7	23.4	-6.9	2.6	3.7
Organisational Schemes, Business Relationships	3. Support industry-led organisations in aggregating industrial interests and/or functions	-7.7	2.6	-1.4	2.5	0.3	2.5	19.1	-7.7	1.3	6.1
	4. Support building of business relationships	3.1	7.2	2.7	12.6	14.2	1.7	-15.6	-9.5	2.0	4.7
International Relationships	5. Establish international agreements	-1.1	-2.9	-7.3	-4.5	-0.9	-9.0	-4.2	3.1	-3.4	1.1
	6. Promote brands and campaigns, international trade events and meetings	6.2	-2.0	8.7	10.7	15.0	13.9	-9.0	-2.3	5.2	1.6
Human Resources	7. Establish standards, qualification and certification frameworks for related skills and knowledge	2.7	3.1	8.9	2.5	15.5	-2.8	-8.5	7.9	3.7	1.9
	8. Support education	8.6	-5.2	8.5	-0.6	-4.0	20.0	-13.3	2.6	2.1	4.6
Finance	9. Introduce incentive schemes to encourage investments	-9.2	-9.8	-7.7	-10.7	-13.7	4.2	0.1	-4.8	-6.5	0.9
	10. Establish government financing schemes to promote private financing	4.7	3.4	-9.8	-11.7	-11.8	-6.3	-2.3	-1.2	-4.4	1.4
Technology	11. Establish technological standards to ensure interoperability	-0.6	-0.7	5.3	1.6	13.7	-5.4	6.7	0.9	2.7	2.0
	12. Foster research and development and technological innovation, develop communication networks and media	-7.2	-1.4	11.2	1.6	-7.9	9.4	-4.2	8.1	-1.6	4.4
Legal Frameworks	13. Introduce and review regulatory frameworks for market entry, content quotas	4.8	-1.4	-3.1	0.7	0.6	-2.8	4.4	2.0	0.6	4.3
	14. Introduce and review intellectual property rights protection and management, anti-piracy measures	-9.1	-2.7	-3.6	11.7	-11.6	-9.9	-9.0	8.6	-3.2	2.6
	15. Introduce and review content-rating framework	-2.9	4.7	10.7	-2.4	6.2	-8.0	9.6	1.0	2.4	2.6

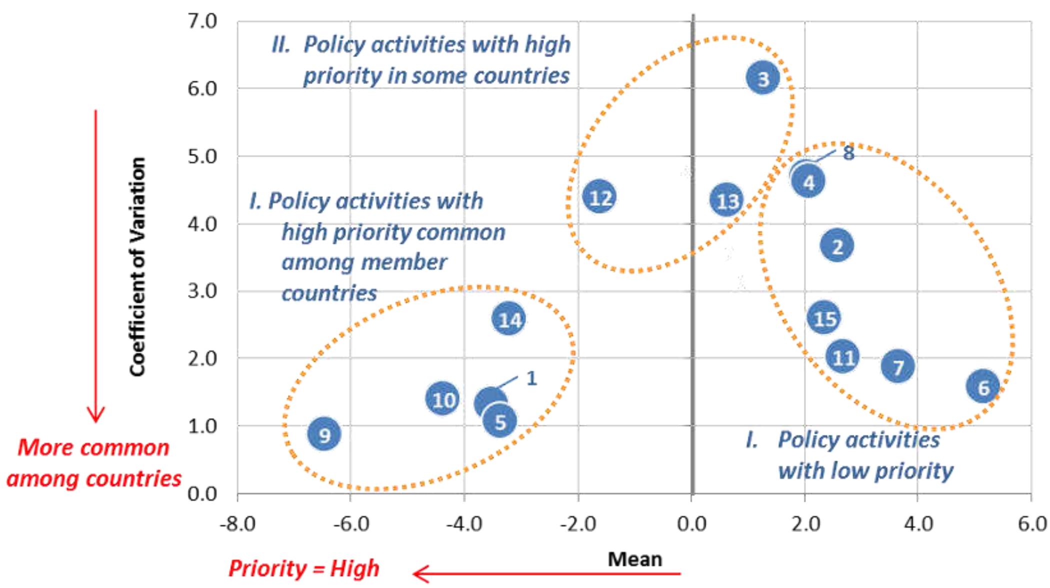
CHN = China, CV = coefficient of variation, IDN = Indonesia, JPN = Japan, KOR = Korea, MYS = Malaysia, PHL = Philippines, SGP = Singapore, THA = Thailand.
Source: Evaluation Survey of Content Industry Promotion Policies.

Table 13-5: Performance Indicators of Policy Activities: Eight Countries

Policy Activity	PI	Priority
6. Promote brands and campaigns, international trade events and meetings	5.2	
7. Establish standards, qualification and certification frameworks for related skills and knowledge	3.7	Low
11. Establish technological standards to ensure interoperability	2.7	
2. Stimulate establishment of industrial clusters, market development, new business models	2.6	
15. Introduce and review content-rating framework	2.4	
8. Support education	2.1	
4. Support building of business relationships	2.0	
3. Support industry-led organisations in aggregating industrial interests and/or functions	1.3	
13. Introduce and review regulatory frameworks for market entry, content quotas	0.6	
12. Foster research and development and technological innovation, develop communication networks and media	-1.6	
14. Introduce and review intellectual property rights protection and management, anti-piracy measures	-3.2	
5. Establish international agreements	-3.4	High
1. Communicate industrial development visions, master plans, statistics	-3.5	
10. Establish government financing schemes to promote private financing	-4.4	
9. Introduce incentive schemes to encourage investments	-6.5	

PI = performance indicator.
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 13-6: Mean and Variance of Performance Indicators



Source: Evaluation Survey of Content Industry Promotion Policies.

The other two weaknesses in the matrix ('not enough accumulation of knowledge or successful experiences in the global content business' and 'increase in the operation [labour] cost') do not seem to be directly related to any of the policy activities. It may mean that stakeholders regard the weaknesses as issues they can overcome without government policies. Or they put a higher priority on #1 or #5 since these could be solutions to overcome the weaknesses. It is reasonable to think that a clear government vision to promote global business (#1) or establish agreements, including for free trade (#5), could enhance cross-border content business and mobility of human resources, which eventually could result in overcoming the weaknesses. Further study, however, is required to investigate the relationship between recognition of the weaknesses and the policy activities in high demand.

The high-priority policy areas and activities can be considered consistent with the recognition of the weaknesses in the SWOT matrix.

2.2. Evaluation of High-Priority Policy Activities

This section explores in detail the evaluation of the high-priority policy areas and activities, with each policy area indicated in a bracket. (For analysis of the 15 activities, see Appendix 1: Policy Evaluation of Each Policy Area.)

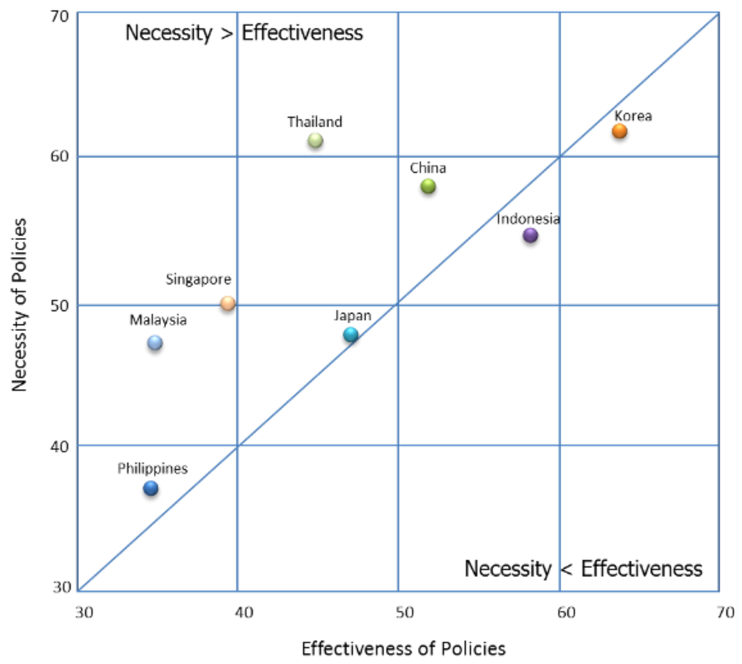
2.1.1. #1: Communicate industrial development visions, master plans, statistics (industry and market development)

Figure 13-7 shows how stakeholders in each country evaluate this policy activity. It refers to setting goals and fostering an environment to encourage the industry. It is meaningful where top–down decision making is necessary.

This policy's necessity is higher than effectiveness in most countries, except Korea and Indonesia. This means that the policy's current status does not meet stakeholders' expectations in most countries. In Korea, stakeholders' favourable recognition may be the result of the government's efforts to collect statistical data and set in a master plan a concrete goal of increasing the national income, which clearly shows the government's positive attitude towards the content industry. In Indonesia, the government recognises the creative industry as a force driving economic development and has released its vision, mission, and goals for encouraging the industry. It even changed the name of the Ministry of Culture and Tourism to the Ministry of Tourism and Creative Economy. The government's standpoint may be a reason for stakeholders' positive evaluation (see Chapter 4 for more detailed policies in these countries).

Overall, the eight countries recognise a moderate or high degree of necessity, although the evaluation of effectiveness varies among them. The results suggest the importance of collecting statistical data, preparing a master plan, and communicating it to stakeholders. To foster a common aim of developing the content industry in the region, comparable statistical data and a regional master plan are necessary.

Figure 13-7: Evaluation of Policy Activity:
Communicate Industrial Development Visions, Master Plans, Statistics



Source: Evaluation Survey of Content Industry Promotion Policies.

2.1.2. #5: Establish international agreements (international relationships)

Figure 13-8 shows the evaluation of the policy activity to establish international agreements, including free trade agreements or bilateral co-production treaties. Stakeholders in all the countries except the Philippines appear to expect further improvement in this area. So far, the number of international agreements of the Philippines is not large compared with other countries'—a favourable recognition that may relate to its strong relationship with the United States (US). Many content companies in the Philippines deal with outsourced work from the US, taking advantage of the population's English-language skills.

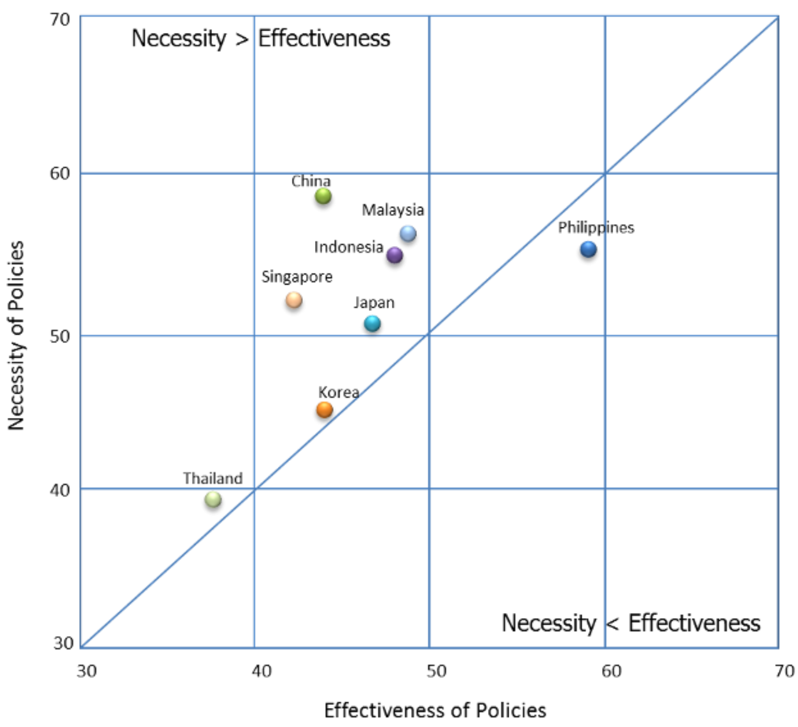
The high expectation for the establishment of international agreements reflects the expectation of a number of free trade agreements, which can enhance economic relationships among the parties in many industries, including the content industry. Attention should be paid not only to establishing international agreements but also to issues that can be resolved through such agreements.

2.1.3. #9: Introduce incentive schemes to encourage investments
#10: Establish government financing schemes to promote private financing (finance)

Figures 13-9 and 13-10 show the evaluation of finance policy: #9 (Introduce incentive schemes to encourage investments), and #10 (Establish government financing schemes to promote private financing). Finance is a major issue confronting the content industry, as seen in the analysis of the challenges and the SWOT matrix. Except for #9 in China and #10 in Japan and Korea, further improvement in these two policy activities is expected in all countries. Looking at the tendency in detail, the eight countries can be roughly divided into three groups.

The first (Malaysia and Singapore) has a high level of necessity with an average level of effectiveness for both policies. Chapter 4 shows that Malaysia has several government financial support measures, including incentive schemes (e.g. Film in Malaysia), investment and loan schemes (e.g. My Creative Fund and Malaysia Venture Capital Management), and grant programmes (e.g. MAC3 Fund). The expectation, however, is higher among companies and policymakers (Chapter 9, Figure 9-14). Singapore has a fund scheme (e.g. PSB Contestable for the broadcasting sector) and five main grant schemes. Expectations for further improvement are high among companies, while industrial organisations, academic experts, and policymakers recognise that the effectiveness of the current measures matches or exceeds necessity (Chapter 11, Figure 11-14).

Figure 13-8: Evaluation of Policy Activity—Establish International Agreements



Source: Evaluation Survey of Content Industry Promotion Policies.

Thailand can be included in this group because of its high level of necessity, although effectiveness is much lower than in Malaysia and Singapore. Thailand's government is planning to implement policies in this area, so recognition is expected to change when they are implemented (Chapter 4, Table 4-10).

The second group (Japan, Korea, and China) has a similar level of necessity of financial policies. Effectiveness, however, is in contrast with the two policies. Japan and Korea have low effectiveness for #9 and high for #10. This reflects the fact that Japan has no corresponding policy for #9 but has several funding and subsidy schemes. Korea seems to be focusing on financial schemes of funds or subsidies (#10) rather than incentive schemes (#9).

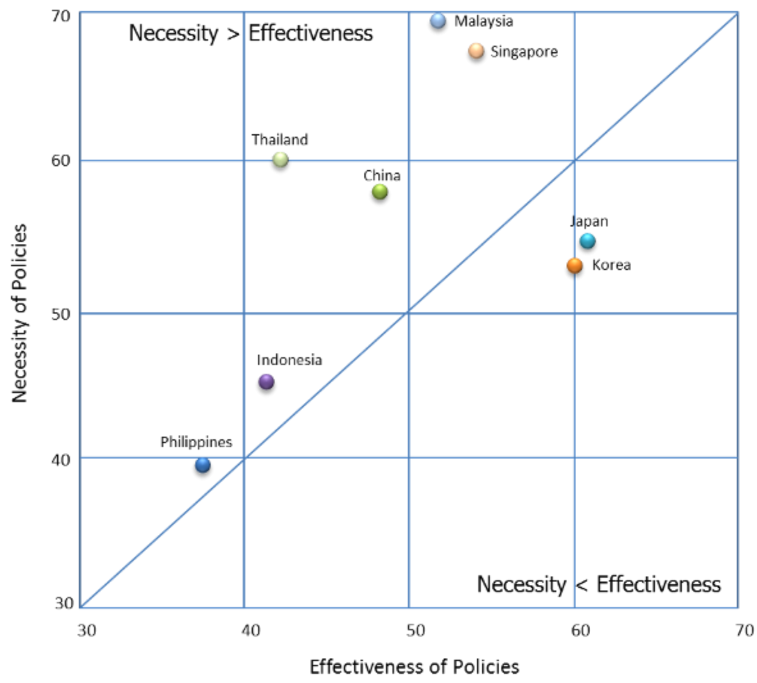
The third group (Indonesia and the Philippines) has a lower level of necessity and effectiveness than the others, a result perhaps of the awareness within the industry that it may be difficult to apply such policies since the governments are just starting to plan and implement policies to support the content industry.

Access to and availability of financial services are a major issue facing the content industry. The first of regional efforts to confront this issue could be, for example, providing information about the existing financial support schemes of each government and making it easier for companies doing cross-border business to operate.

Figure 13-9: Evaluation of Policy Activity—Introduce Incentive Schemes to Encourage Investments

Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 13-10: Evaluation of Policy Activity—Establish Government Financing Schemes to Promote Private Financing



Source: Evaluation Survey of Content Industry Promotion Policies.

2.1.4. #14: Introduce and review intellectual property rights protection management, anti-piracy measures (legal framework)

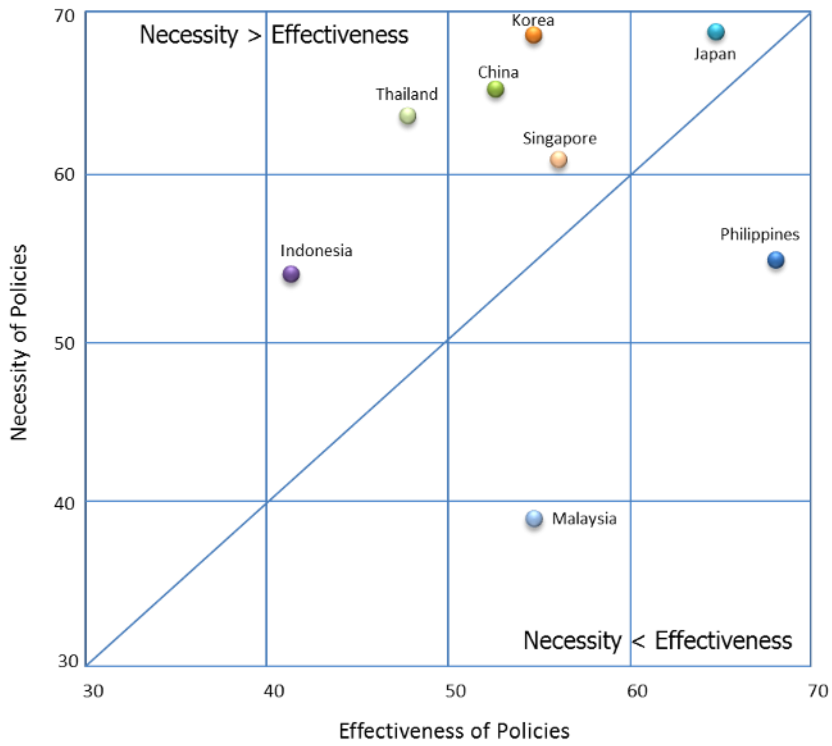
Figure 13-11 shows the evaluation of introducing and reviewing intellectual property rights protection management, including anti-piracy measures. The recognition of necessity is high in most countries, and further improvement is expected in all, except the Philippines and Malaysia, even though the evaluation towards current measures is not very low.

Piracy, the biggest challenge that stakeholders commonly recognise, undermines the content industry by preventing companies from recouping the cost of content creation and investing in the next creation. Piracy is becoming more difficult to deal with, especially in the digital environment. Some countermeasures can be taken by individual companies but joint efforts by industrial organisations or governments may be required. Now that the content industry understands how serious piracy is, it is essential to begin solving the problem. The initial step could be building networks and enhancing knowledge sharing about countermeasures.

3. Prioritising the Policy Recommendation

This section integrates the prioritised policy activities identified in this study with the policy recommendation presented in the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Recommendation), which lists important policies for developing the content industry. This chapter explores how high-priority policy activities, identified by analysing the questionnaire survey, correspond to elements in the FY2012 Recommendation.

Figure 13-11: Evaluation of Policy Activity—Introduce and Review Intellectual Property Rights Protection and Management, Anti-Piracy Measures



Source: Evaluation Survey of Content Industry Promotion Policies.

4.1. Correspondence between High-Priority Policy Activities and Components of the FY2012 Recommendation

The FY2012 Recommendation was based on the results of market analysis (market size, SWOT analysis, value-chain analysis, etc.) and suggestions by each working group member. The results reflect the awareness of issues the content industry currently faces, although they do not necessarily cover every aspect of the industry. Policy activities (Chapter 3), however, aim to be comprehensive. Accordingly, not every policy activity necessarily has a corresponding component in the FY2012 Recommendation. Table 13-6 shows the correspondence between the 15 policy activities and the components of the FY2012 Recommendation.

- One component in the FY2012 Recommendation may correspond with more than one policy activity, and vice versa.
- ✓ in dark orange cells implies a relatively strong correspondence;
  ✓ in light orange cells means a relatively weak correspondence.
- Policy activities #4 (Support building of business relationships), #5 (Establish international agreements), #7 (Establish standards for business skills, qualification and certification frameworks for related skills and knowledge), #8 (Support education), #9 (Introduce incentive schemes to encourage investments), #10 (Establish government financing schemes to promote private financing), #11 (Establish technological standards to ensure interoperability to increase adoption and usage), and #14 (Introduce and review intellectual property rights protection and management and anti-piracy measures) strongly correspond with components in the FY2012 Recommendation.
- Policy activity #15 (Introduce and review content-rating frameworks) does not have a corresponding component in the FY2012 Recommendation.

4.2. Prioritisation of Components of the FY2012 Recommendation

The priority indicates which policies should be improved before the others, based on current evaluation, although it does not mean that other policy activities need not be improved.

Figure 13-12 describes the prioritisation process. Higher-priority components are identified by how policy activities of higher priority (Section 2.1) correspond with components in the FY2012 Recommendation.

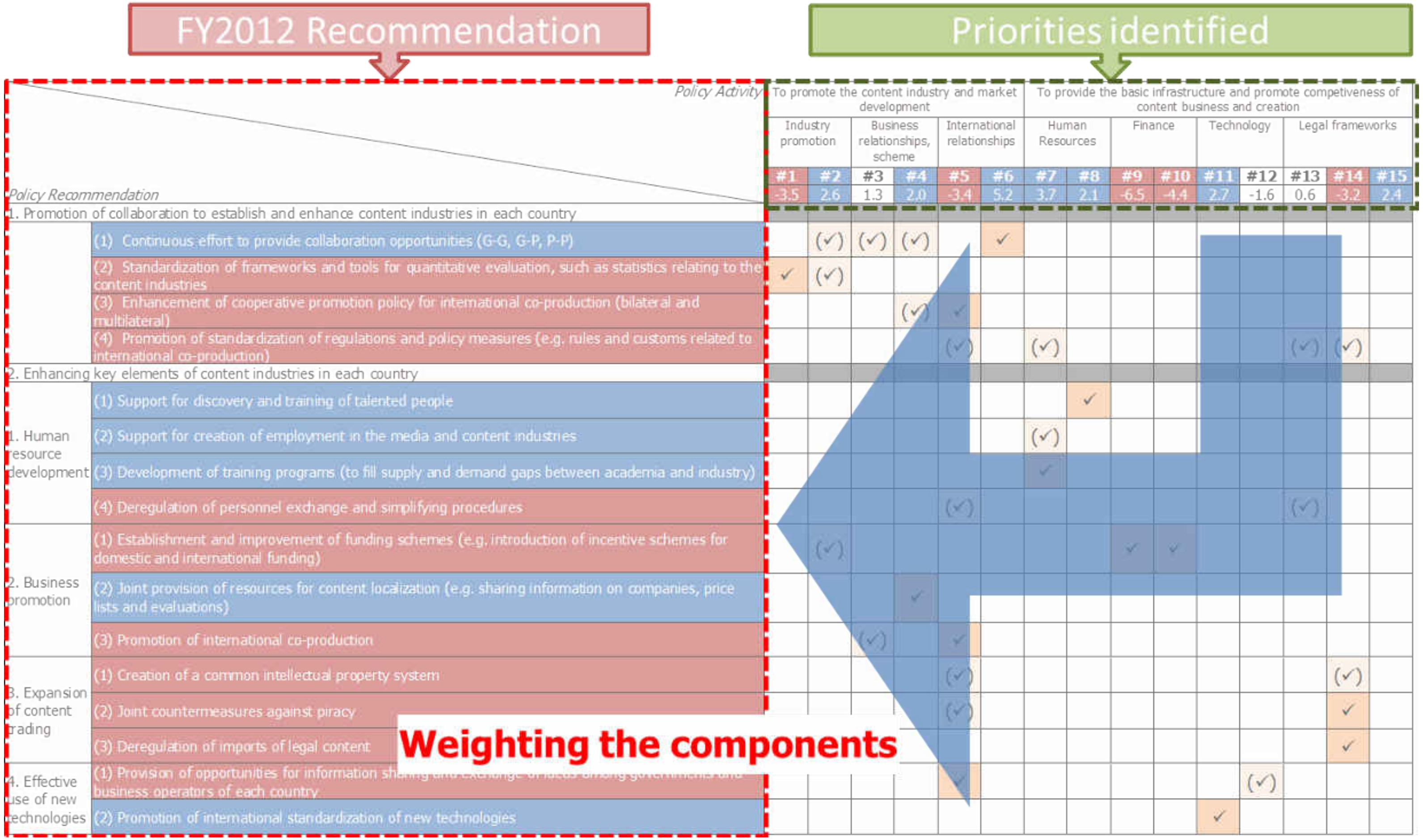
Table 13-6: Correspondence between Policy Recommendation and Policy Activities

	Policy Activity	To promote the content industry and market development						To provide the basic infrastructure and promote competiveness of content business and creation								
		Industry promotion		Business relationships, scheme		International relationships		Human Resources		Finance		Technology		Legal frameworks		
Policy Recommendation		**#1**	**#2**	**#3**	**#4**	**#5**	**#6**	**#7**	**#8**	**#9**	**#10**	**#11**	**#12**	**#13**	**#14**	**#15**
1. Promotion of collaboration to establish and enhance content industries in each country																
	(1) Continuous effort to provide collaboration opportunities (G-G, G-P, P-P)		(✓)	(✓)	(✓)		✓									
	(2) Standardization of frameworks and tools for quantitative evaluation, such as statistics relating to the content industries	✓	(✓)													
	(3) Enhancement of cooperative promotion policy for international co-production (bilateral and multilateral)				(✓)	✓										
	(4) Promotion of standardization of regulations and policy measures (e.g. rules and customs related to international co-production)					(✓)		(✓)						(✓)	(✓)	
2. Enhancing key elements of content industries in each country																
2.1 Human resource development	(1) Support for discovery and training of talented people								✓							
	(2) Support for creation of employment in the media and content industries							(✓)								
	(3) Development of training programs (to fill supply and demand gaps between academia and industry)							✓								
	(4) Deregulation of personnel exchange and simplifying procedures					(✓)								(✓)		
2.2 Business promotion	(1) Establishment and improvement of funding schemes (e.g. introduction of incentive schemes for domestic and international funding)		(✓)							✓	✓					
	(2) Joint provision of resources for content localization (e.g. sharing information on companies, price lists and evaluations)				✓											
	(3) Promotion of international co-production			(✓)		✓										
2.3 Expansion of content trading	(1) Creation of a common intellectual property system					(✓)									(✓)	
	(2) Joint countermeasures against piracy					(✓)									✓	
	(3) Deregulation of imports of legal content														✓	
2.4 Effective use of new technologies	(1) Provision of opportunities for information sharing and exchange of ideas among governments and business operators of each country					✓							(✓)			
	(2) Promotion of international standardization of new technologies											✓				

* G: Government P: Private

Source: Authors.

Figure 13-12: Prioritisation Process



Source: Authors.

Table 13-7: Prioritisation of Each Component of the FY2012 Recommendation

Policy Recommendation	Policy Activity	To promote the content industry and market development						To provide the basic infrastructure and promote competiveness of content business and creation								
		Industry promotion		Business relationships, scheme		International relationships		Human Resources		Finance		Technology		Legal frameworks		
		#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11	#12	#13	#14	#15
		-3.5	2.6	1.3	2.0	-3.4	5.2	3.7	2.1	-6.5	-4.4	2.7	-1.6	0.6	-3.2	2.4
1. Promotion of collaboration to establish and enhance content industries in each country																
	(1) Continuous effort to provide collaboration opportunities (G-G, G-P, P-P)		(✓)	(✓)	(✓)		✓									
	(2) Standardization of frameworks and tools for quantitative evaluation, such as statistics relating to the content industries	✓	(✓)													
	(3) Enhancement of cooperative promotion policy for international co-production (bilateral and multilateral)				(✓)	✓										
	(4) Promotion of standardization of regulations and policy measures (e.g. rules and customs related to international co-production)					(✓)		(✓)						(✓)	(✓)	
2. Enhancing key elements of content industries in each country																
1. Human resource development	(1) Support for discovery and training of talented people								✓							
	(2) Support for creation of employment in the media and content industries							(✓)								
	(3) Development of training programs (to fill supply and demand gaps between academia and industry)							✓								
	(4) Deregulation of personnel exchange and simplifying procedures					(✓)								(✓)		
2. Business promotion	(1) Establishment and improvement of funding schemes (e.g. introduction of incentive schemes for domestic and international funding)		(✓)							✓	✓					
	(2) Joint provision of resources for content localization (e.g. sharing information on companies, price lists and evaluations)				✓											
	(3) Promotion of international co-production			(✓)		✓										
3. Expansion of content trading	(1) Creation of a common intellectual property system					(✓)									(✓)	
	(2) Joint countermeasures against piracy					(✓)									✓	
	(3) Deregulation of imports of legal content														✓	
4. Effective use of new technologies	(1) Provision of opportunities for information sharing and exchange of ideas among governments and business operators of each country					✓							(✓)			
	(2) Promotion of international standardization of new technologies											✓				

Source: Authors.

Table 13-7 shows the results of prioritising the FY2012 Recommendation. The components (shaded in red) corresponding with policy activities #1, #5, #9, #10, and #14 are evaluated as policies to be improved before the others. The FY2012 Recommendation components that need high-priority improvement are summarised below:

1. Promotion of collaboration to establish and enhance content industries in each country
   - (2) Standardisation of frameworks and tools for quantitative evaluation, such as statistics relating to the content industries
   - (3) Enhancement of cooperative promotion policy for international co-production (bilateral and multilateral)
2. Reinforcement of factors in the content industries in each country
   - 2.2 Business promotion
     - (1) Establishment and improvement of funding schemes (e.g. introduction of incentive schemes for domestic and international funding)
     - (3) Promotion of international co-production
   - 2.3 Expansion of content trading
     - (2) Joint countermeasures against piracy
     - (3) Deregulation of imports of legal content
   - 2.4 Effective use of new technologies
     - (1) Provision of opportunities for information sharing and exchange of ideas among governments and business operators of each country

4.3. Policy Demand: Regional Perspective Now and in the Future

Figure 13-13 shows the results for a question asking respondents to choose the top three policies and ideas that should be worked on cooperatively to develop the content industry, now and in the future. The listed policies were extracted from the 15 policy activities and modified in terms of mutual collaboration among the countries. Some policies are considered important now but will not be so much in the future, while others are considered to be not important now but will be in the future.

Demand is highest now for providing financial incentive schemes; it is second highest for facilitating collaboration on anti-piracy measures. These two issues received the majority of votes. The results correspond to the conclusion of prioritised policy recommendations in the previous section. Figure 13-14 maps the relationship between the present and future demand of policies. The policies can be divided into three groups:

I. Policies with high demand (present demand is over 40 percent)

II. Policies with low demand but expected to be higher in the future (present demand is lower than 20 percent)

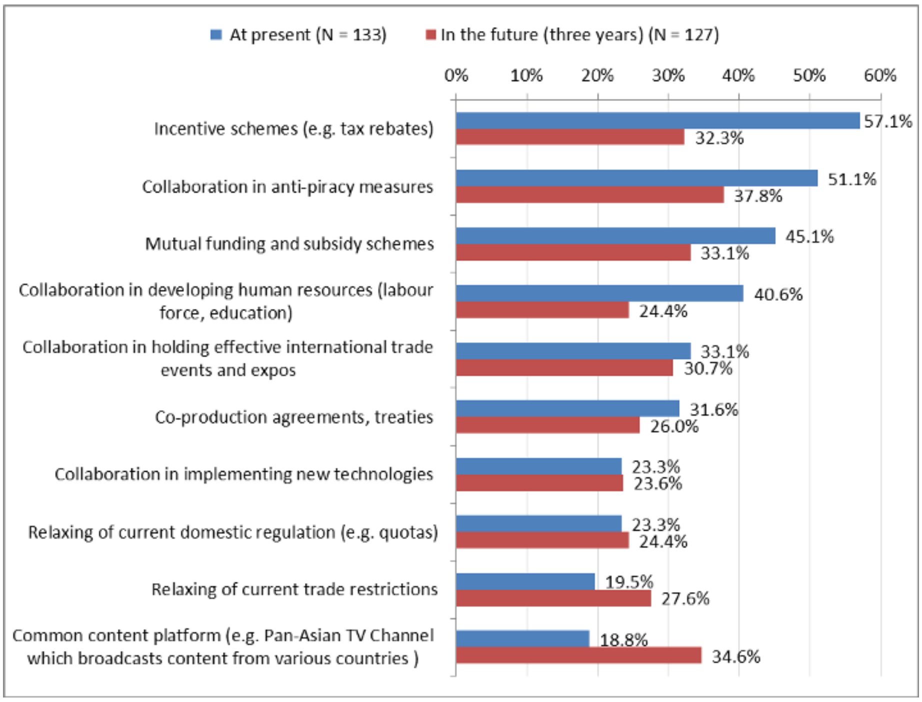
III. Policies with moderate demand both at present and in the future (between [I] and [II], where present demand is between 20 percent and 40 percent).

The demand for a 'common content platform' and 'relaxing current trade restrictions' is in (II), which means demand for policies or ideas will exist in the long term. This reflects the recognition that regional content transactions and distribution will be important. Most respondents are aware of the rapid structural changes in domestic and regional perspectives. It is important to take concrete steps towards such long-term goals to realise medium-term policy goals and initiatives, including the ASEAN Economic Community Blueprint or ASEAN Socio-Cultural Community Blueprint.

High Demand in the Long Term

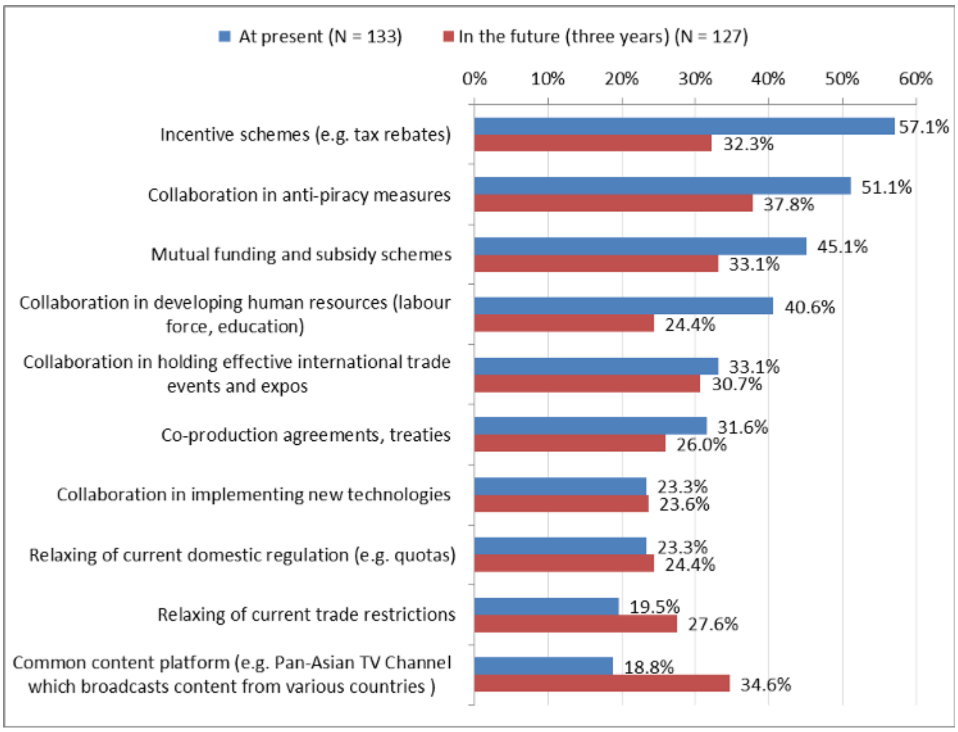
- ✓ Building a common content platform
- ✓ Relaxing current trade restrictions

Figure 13-13: Policy Demand for Asian Content Industry Development at Present and in the Future



Note: Respondents were asked to select three items at most.
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure 13-14: Relationship between Present and Future Demand for Policies



Source: Evaluation Survey of Content Industry Promotion Policies.

CHAPTER 14

Policy Recommendations

This chapter presents a policy recommendation (FY2013 Recommendation) to improve high-priority policy activities and develop the region's content industries. It revises the policy recommendation of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Recommendation).

1. High-Priority Policy Activities and Prioritising of FY2012 Recommendation Components

The FY2012 Recommendation was revised based on the results of the analysis and survey:

- The situation of the content industry. Strengths, weaknesses, and issues in the region or each country according to the results of the strength/weakness, opportunity/threat (SWOT) analysis (Chapter 13, Section 1)
- The results of the policy evaluation. Categorised policy activities prioritised according to necessity and effectiveness (Chapter 13, Section 2)
- Correspondence between policy activities and the FY2012 Recommendation (Chapter 13, Sections 3.1 and 3.2)
- Future regional policy demand (Chapter 13, Section 3.3)

The prioritised FY2012 recommendation is provided below:

Industry and market development

#1: Communicate industrial development visions, master plans, statistics

International relationships

#5: Establish international agreements

Finance

#9: Introduce incentive schemes to encourage investments

#10: Establish government financing schemes to promote private financing

Legal frameworks

#14: Introduce and review intellectual property rights protection management, anti-piracy measures

The FY2013 Recommendation is as follows:

Priority of Policies

The following items in the Recommendation are considered high priority (numbering is based on the FY2012 Recommendation):

1. Promote collaboration to establish and enhance content industries in each country

(2) Standardise frameworks and tools for quantitative evaluation such as statistics relating to content industries

(3) Enhance cooperative promotion policies for international co-production (bilateral and multilateral)

2. Reinforce factors that will promote content industries

2.2 Promote business

(1) Establish and improve funding schemes (e.g. introduce incentive schemes for domestic and international funding)

(3) Promote international co-production

2.3 Expand content trading

(2) Employ joint measures against piracy

(3) Deregulate imports of legal content

2.4 Use new technologies effectively

(1) Provide opportunities for information sharing and exchange of ideas among governments and business operators of each country

Future Policy Demand

The following policies will become important, so giving them consideration now is desirable.

- ✓ Building a common content platform
- ✓ Relaxing current trade restrictions on content and related products and services

For reference, the FY2012 Recommendation is shown below. For more detail, see Appendix 3.

Policy Objectives

To promote content industries in each country, policy objectives should focus on the following:

- Achieve content industries' potential by utilising content markets' scale and content industries' assets

- Promote trade and cooperation among content industries

Policy Recommendation

1. Promote collaboration to establish and enhance content industries in each country

(1) Exert continuous efforts to provide collaboration opportunities (G–G, G–P, P–P)*

*G = government, P = private sector

(2) Standardise frameworks and quantitative evaluation tools such as statistics relating to content industries

(3) Enhance cooperative promotion policies for international co-production (bilateral and multilateral)

(4) Standardise regulations and policy measures (e.g. rules and customs related to international co-production)

2. Reinforce factors that will promote content industries

2.1 Develop human resources

(1) Support discovery and training of talented people

(2) Support job creation in media and content industries

(3) Develop training programs to fill supply and demand gaps between academia and industry

(4) Deregulate personnel exchange and simplify procedures

2.2 Promote business

(1) Establish and improve funding schemes (e.g. introduce incentives for domestic and international funding)

(2) Jointly provide resources to localise content[1] (e.g. share information on companies, price lists, and evaluations)

(3) Promote international co-production

2.3 Expand content trading

(1) Create a common intellectual property system

(2) Employ joint measures against piracy

(3) Deregulate imports of legal content

[1] The process of adapting a product or service to a particular language, culture, and desired local 'look and feel'.

2.4 Use new technologies effectively

(1) Provide opportunities for information sharing and exchange of ideas among governments and business operators

(2) Promote international standardisation of new technologies

2. 2. Relation of the FY2013 Recommendation with Existing Policy Framework and Goals

The study revealed that countries in the region have been putting effort into planning and implementing policies to develop the content industry, expecting it to play an important sociocultural and economic role.

The Association of Southeast Asian Nations (ASEAN) members aim to establish the ASEAN Community by 2015. In 2007, they unveiled blueprints for the ASEAN Economic Community and ASEAN Socio-Cultural Community. These do not, however, touch on specific topics such as how to develop the content industry and how it can contribute to realising the blueprints. It can be assumed that the content industry was not yet expected to play a key role when the blueprints were drafted. Now that the countries recognise the content industry’s importance in culture and the economy and are making efforts to further develop the industry, the post-2015 scenario could include a more detailed action plan. Thus, the FY2013 Recommendation and the FY2012 and FY2013 reports can serve as the bases for discussion, providing the statistical data and the insights derived from the recognition by major content industry stakeholders.

This study is expected to contribute to enhancing cooperation among ASEAN and East Asian countries. Their content industries are at different development stages, confronting various issues. This study can be the starting point of a mutual understanding of countries’ differences and what countries can work on together to make the best of diversity and promote the content industry.

Appendix

1. Policy Evaluation

This section evaluates seven policy areas based on the survey questionnaire (Chapter 13).

1.1. Industry and Market Development

Figure A-1 shows the evaluation of industry and market development: how stakeholders in each country evaluate communicating industrial development visions, master plans, and statistics (policy #1). This policy refers to setting goals and fostering an environment that encourages the industry to achieve its target, and is meaningful where top–down decision making is necessary.

Figure A-1 indicates that the necessity for this policy is higher than effectiveness in most countries, except Korea and Indonesia, which means that the current status does not meet stakeholders' expectation in most countries. In Korea, the favourable recognition may be the result of the government's efforts in collecting statistical data, setting a concrete goal of increasing the national income in a master plan, and showing the government's positive attitude towards enhancing the content industry. In Indonesia, the government recognises the creative industry as the force driving economic development and has released its vision, mission, and goals. It even changed the name of the Ministry of Culture and Tourism to the Ministry of Tourism and Creative Economy, which clearly shows its standpoint and may be a reason for stakeholders' positive evaluation (see Chapter 4 for more detailed policies in these countries).

All eight countries recognise a moderate or high degree of necessity, although their evaluation of effectiveness varies. This suggests the importance of collecting statistical data, setting a master plan, and communicating it to stakeholders. The shared aim of developing the region’s content industry requires comparable statistical data and a regional master plan.

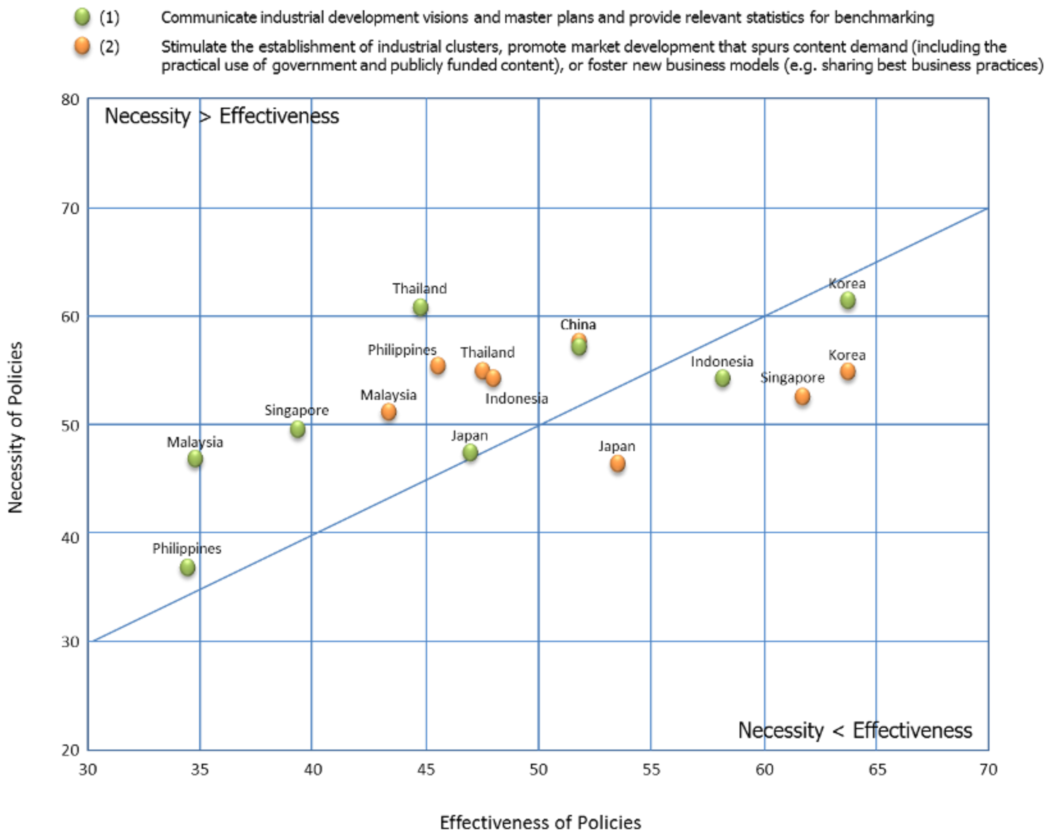
For organisational schemes and business relationships (policy #2), necessity is relatively high in Korea, Thailand, China, and Indonesia. Effectiveness is high in Korea and Indonesia. Korea, for example, established Content Korea Lab to promote start-ups to foster new business models. The government also favours establishing cooperative methods such as consortia of enterprises. Indonesia has introduced a framework for establishing business incubators to develop media content and supports communities that develop creative industries. These initiatives may have induced positive effects. Singapore sees low effectiveness for policy #1, which implies that, although the country is highly effective in implementing policy #2, it faces a limitation due to the size of its domestic industry, making it difficult for policy approaches such as establishing industry clusters, and relying instead on the efficiency of major players (e.g. Media Corp in broadcasting) to create the ecosystem.

In Korea and Japan, policy activities #1 and #2 both show Effectiveness (E) > Necessity (N) or are close to the E = N 45-degree line, which suggests that the two countries have high performance in these areas. Future progress is expected in Malaysia, Thailand, and China, whose policy implementation is still either ‘a work in progress’ or ‘planned or under planning’ (Chapter 4, Table 4-10).

1.2. Organisational Schemes, Business Relationships

Figure A-2 shows the evaluation of organisational schemes and business relationships. The average level of necessity and effectiveness is relatively high for both policy activities. For policy activity #3 (Support industry-led organisations in aggregating industrial interests and/or functions), Malaysia, Japan, and Indonesia have relatively high performance.

Figure A-1: Industry and Market Development—Evaluation of Policy Area



Source: Evaluation Survey of Content Industry Promotion Policies.

The results in Malaysia and Japan, in particular, may reflect the fact that these countries have numerous industry organisations and agencies in the public and private sectors, which specifically oversee the content and creative industries. Malaysia has multiple ministries,[1] authorities,[2] industry organisations,[3] and funders overseeing and handling the creative industry. Japan also has an ecosystem of several industry organisations across the sector as well as the value chain. In Indonesia, the creation of the Ministry of Tourism and Creative Economy[4] has facilitated the performance of this policy

[1] E.g. Ministry of Communications, Information and Culture, and Ministry of Science, Technology and Innovation.
[2] E.g. Multimedia Development Corporation, National Film Development Corporation Malaysia, Malaysian Technology Development Corporation, Malaysian Communications and Multimedia Commission, Ministry of Entrepreneur and Co-operative Development, and Malaysian Investment Development Authority.
[3] E.g. Creative Content Association Malaysia, Creative Content Industry Guild.
[4] The Ministry of Tourism and Creative Economy was divided into the Ministry of Tourism and the Creative Economy Board.

area. Korea has relatively high necessity but has the lowest effectiveness among all countries, which may be a reflection of stronger leadership by government and related agencies (e.g. Korea Creative Content Agency). In the course of its development, however, the industry now seems to pursue approaches via industry-led organisations. The Philippines is the opposite case: of all the countries, it has the strongest demand, which represents the industry's expectation due to limited government support.

In general, industry organisations, whether driven by the private sector or facilitated by the public sector, contribute to expanding the industry while maintaining each party's interests. They also invite and protect new or small players, depending on the organisations' purpose. Such organisations can be a driving force in growing markets, requiring support through new policy frameworks or funds. From a policy perspective, it is essential to facilitate and build frameworks to realise such organisations. However, the industry or the market may face challenges once it undergoes structural changes and runs the risk of becoming a mere name or, worse, an obstructive factor. Thus, defining and isolating the roles and functions in the long term, and facilitating communication and liaising among multiple organisations are important in adapting to such changes.

For policy #4 (Support building of business relationships), Japan, Malaysia, and Thailand have high performance, although necessity is average. Japan's government has focused on facilitating business matching by organising events such as CoFesta[5] and fostering collaboration. Thailand has also been hosting events through the government and industry organisations. The result for Malaysia may be explained by the contribution of government agencies such as Multimedia Development Corporation, which bridges companies, government, and funders. Indonesia and the Philippines, where N > E, have the highest necessity, representing demand for strengthening business-to-business

[5] Japan International Contents Festival.

relationships. Indonesia is expected to improve its policy performance as the new ministry is facilitating business relationships. The Philippines, however, faces challenges as no government organisation deals with the content industry. Instead, implementation of policies is industry-specific and may need to be driven internally within the private sector.

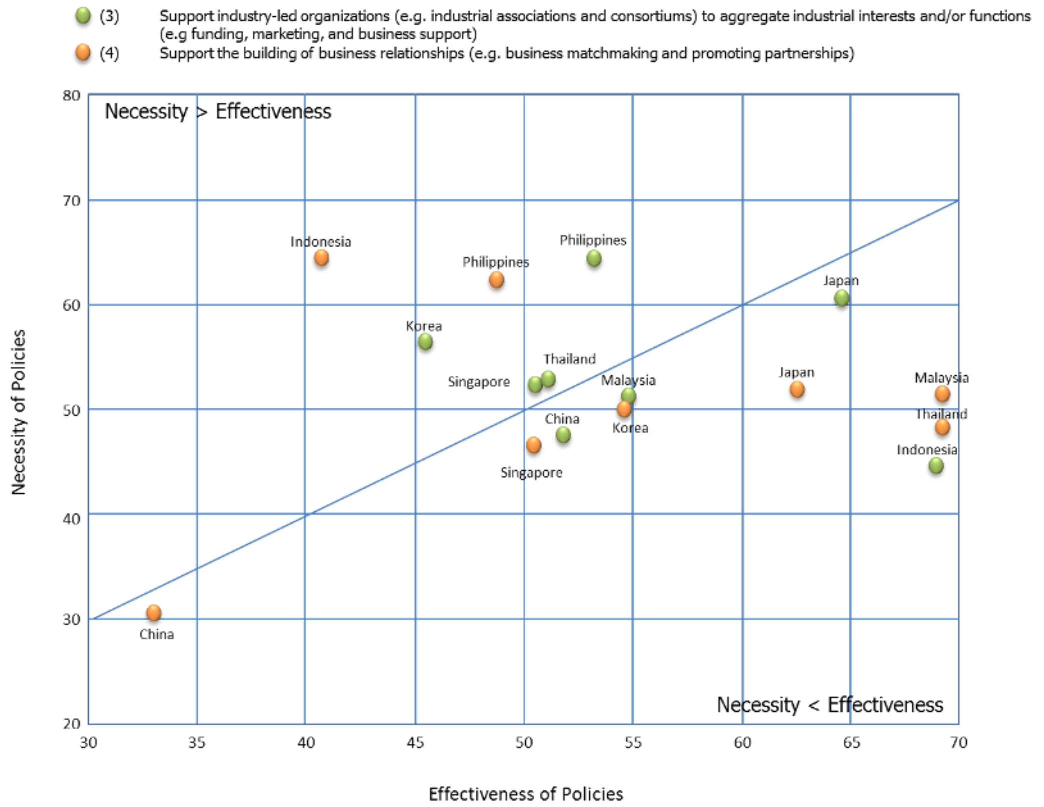
1.3. International Relationships

Figure A-3 shows the evaluation of the policy area concerning international relationships. The results are unique in the way the two policy activities are in contrast with the level of effectiveness. Low performance is seen in policy #5 (Establish international agreements) (except for the Philippines), and high performance in policy #6 (Promote brands and campaigns, international trade events, and meetings) (except for Indonesia).

Figure A-3 shows the evaluation of the policy activities to establish international agreements, including free trade agreements or bilateral co-production treaties. Stakeholders in all countries, except the Philippines, appear to expect further improvement. The number of the Philippines' international agreements is not large compared with those of the other seven countries. The favourable recognition in the Philippines may be related to its strong relationship with the United States (US). Many content companies in the country deal with outsourced work from the US, taking advantage of workers' English-language skills.

The high expectation for the establishment of international agreements reflects the expectation for a number of free trade agreement negotiations, which can enhance economic relationships in many areas, including the content industry. Attention should be paid not only to the establishment of international agreements but also to issues that can be solved through such agreements, all in order to develop the region's content industry.

Figure A-2: Organisational Schemes, Business Relationships—Evaluation of Policy Area



Source: Evaluation Survey of Content Industry Promotion Policies.

For policy #6, most countries have high performance, with three trends:

(1) E > N: Korea, Thailand, Singapore, Malaysia, and China. These countries have leaned toward overseas development and focused on promoting brands and events. The 'Korean Wave' phenomenon, for example, is a successful brand. Thailand has been hosting international events. These activities allow industry players to enjoy a certain level of surplus where effectiveness significantly exceeds necessity.

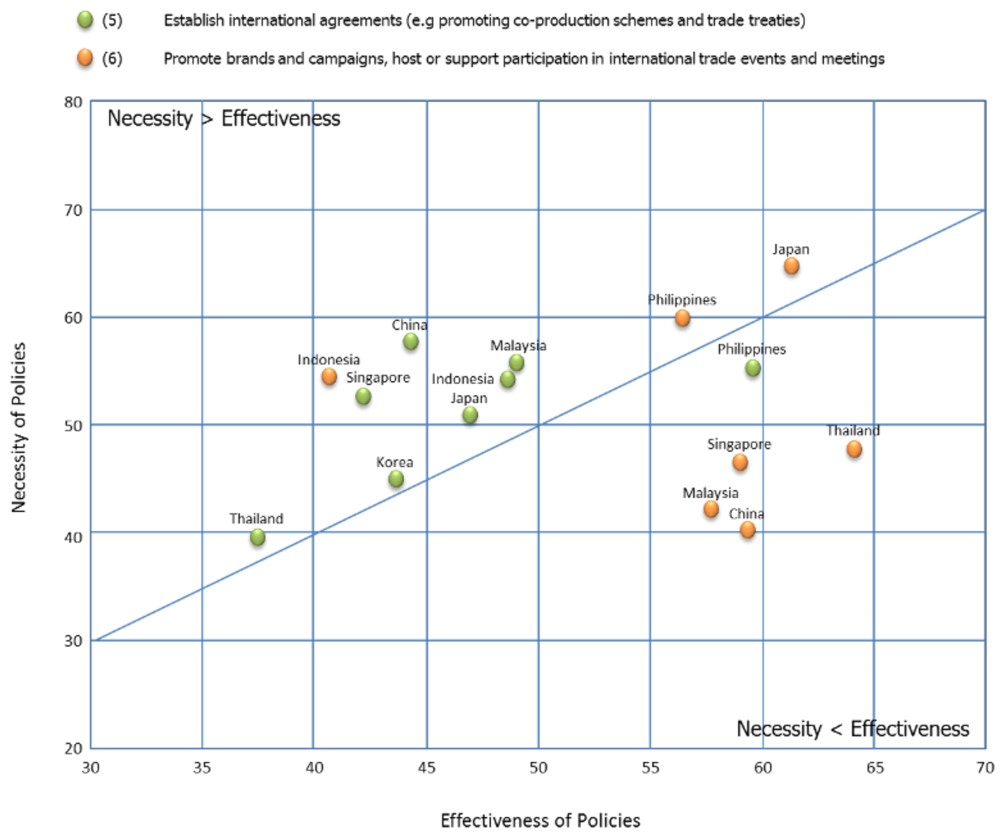
(2) N > E, with high effectiveness: Japan and the Philippines. These countries have benefited from certain effects of the policy despite the industry's stronger demand. Japan has proven its effectiveness with related policies as witnessed by the 'Cool Japan' initiative. The industry, however, expects further promotion; it has the

highest necessity level among all the countries.

(3) N > E area, with low effectiveness: Indonesia. The country is still in the initial phase of policy implementation.

To summarise, given that policy #6 has worked well in most countries, the others may want to consider and collaborate on regional branding and campaigns to strengthen international competitiveness. As the Asian content market is forecast to grow in the long term, the countries in the region could benefit from collaboration to attract funds and investments from other regions.

Figure A-3: International Relationships—Evaluation of Policy Area



Source: Evaluation Survey of Content Industry Promotion Policies.

1.4. Human Resources

Figure A-4 shows the evaluation of human resources. Variance in necessity and effectiveness is larger than that of other policy areas, which indicates that the situation is significantly different among countries.

This especially applies to policy #7 (Establish standards, qualification and certification frameworks for related skills and knowledge), in which only Indonesia, the Philippines, and Singapore have implemented corresponding policies (Chapter 4). Indonesia has the highest demand, reflecting the value the government places on developing and fostering creative skills and individual talent. Its Vision and Mission of Creative Economy for 2025 initiative targets two goals out of six to strengthen human resource development (Chapter 4, Table 4-2). The policy implementation, however, is still insufficient. The Philippines and Singapore, on the other hand, have high performance, with the Philippines having the highest effectiveness among all countries. The result is apparent in the highest value for awareness of strength in potential human resources for content industries (Chapter 13, Table 13-1). The Singapore government strives to develop human resources. For example, the Media Development Authority Singapore has designed one pillar (out of five) in its grant scheme just for talent assistance for industry personnel (Chapter 4, Table 4-8). Although Malaysia's corresponding policy is still 'a work in progress' and Thailand's is 'planned', the countries' high performance is perhaps covered by related policy frameworks. In contrast to the Association of Southeast Asian Nations (ASEAN) countries, Japan, Korea, and China, have low levels of necessity and effectiveness, which suggests that the policy's importance is limited. Region-wide, this policy could be enhanced if countries would consider promoting exchange programmes for individuals. They should lead to sophistication and standardization of business skills, with countries compensating for each other's strengths and weaknesses. This should also contribute to mutual understanding of each other's industry and business practices, and create opportunities for expanding international relationships. In practice, the policy can be combined with or realised through co-production schemes.

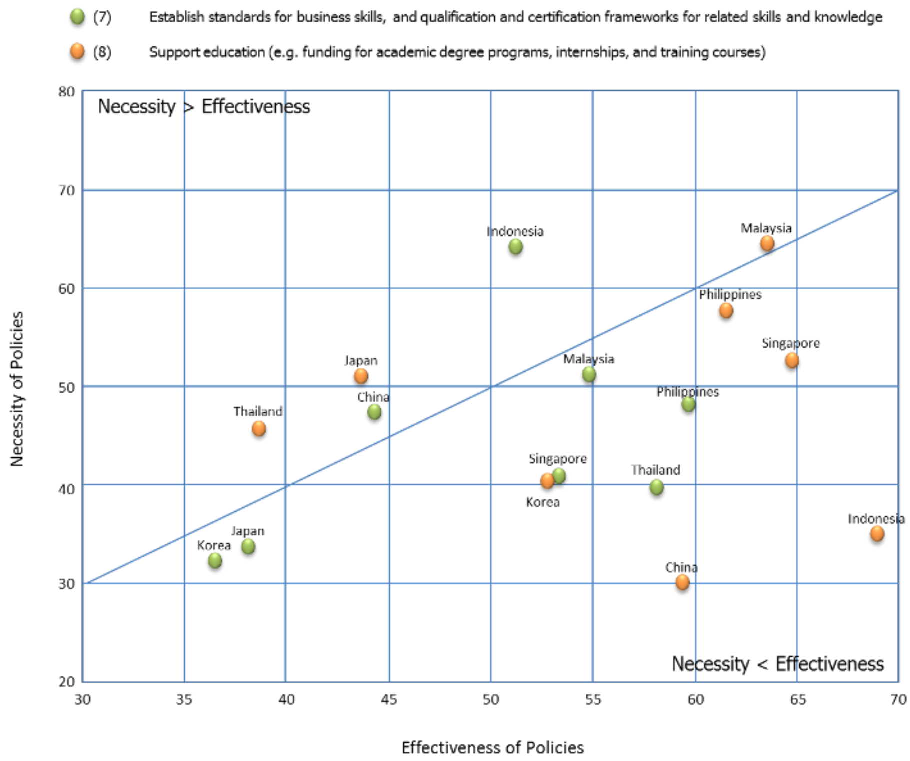
For policy #8 (Support education), most countries exhibit E > N, with Malaysia, the

Philippines, and Singapore having high levels of necessity and corresponding effectiveness. These countries seem to value the importance of investment in education. The result for Malaysia corresponds to its policy framework for talent, which focuses on life-long learning and awareness, targeting parents and young children. For the Philippines and Singapore, similar factors apply. Singapore has produced award-winning scholars and talents through its education programmes. Although its demand is relatively low, Indonesia sees the highest effectiveness with corresponding initiatives such as the establishment of the Hello Motion Academy. Policies supporting education require minimising the gap between academia (supply) and industry (demand). The policy can, therefore, be externally driven by creating and defining (standardising) various attractive jobs and skills on the demand side. Conversely, the quality and capacity of these components should correlate to capacity building at the education level. This implies, to a certain extent, that policy activities #7 and #8 should be considered a pair of wheels in enhancing the performance of related policies. With effective collaboration within the region, frameworks such as coherent degree programmes may provide students with higher flexibility in learning and career matchmaking.

1.5. Finance

Figure A-5 shows the evaluation of finance. It is a major issue confronting the region’s content industry (see Chapter 13 for the analysis of the challenges and the strength–weakness, opportunity–threat [SWOT] matrix). Except for the evaluation of #9 (Introduce incentive schemes to encourage investments) in China and the evaluation of #10 (Establish government financing schemes to promote private financing) in Japan and Korea, further improvement is expected in these two policy activities in the countries covered.

Figure A-4: Human Resources—Evaluation of Policy Area



Source: Evaluation Survey of Content Industry Promotion Policies.

1.6. 1.6. Looking at the tendency in more detail, the countries can be roughly divided into three groups.

The first group (Malaysia and Singapore) has high level of necessity and an average level of effectiveness for both policy activities. Chapter 4 shows that Malaysia has several government financial support measures, including incentive schemes (e.g. Film in Malaysia), investment and loan schemes (e.g. My Creative Fund and Malaysia Venture Capital Management), and grant programmes (e.g. Malaysia Animation and Creative Content Center Fund). Still, expectation is higher, especially among companies and policymakers (Chapter 9, Figure 9-14). Singapore has the PSB Contestable Funds Scheme for broadcasting and five main grant schemes. Expectations for further improvement are strong among companies, while industrial organisations, academic experts, and policymakers recognise that current measures' effectiveness matches or exceeds necessity

(Chapter 11, Figure 11-14). Thailand can be included in this group because of its high level of necessity, but effectiveness is much lower than in Malaysia and Singapore. Thailand's government is planning to implement policies in this area; when it does, recognition is expected to change (Chapter 4, Table 4-10).

The second group (Japan, Korea, and China) has a similar level of necessity of financial policies but different levels of effectiveness. In Japan and Korea, effectiveness is low for #9 and high for #10. This reflects the fact that Japan has no corresponding policy for #9 but has several funding and subsidy schemes. Korea seems to be relatively focused on financial schemes of funds or subsidies (#10) rather than incentive schemes (#9).

The third group (Indonesia and the Philippines) has lower levels of both necessity and effectiveness than other countries, a result of the awareness within the industry that governments are still at the initial stage of planning and implementing content industry policies.

Access to and availability of financial services is a major issue facing the region's content industry. To address this issue, regional efforts can, for example, provide information about existing financial support schemes provided by each government in the region and make it easier for companies to do cross-border business.

1.7. Technology

Figure A-6 shows the evaluation of technology. For policy #11 (Establish technological standards to ensure interoperability), performance is fairly positive as the level of effectiveness meets or exceeds the level of demand, although both necessity and effectiveness are low. Since some countries have not implemented corresponding policy activities, this trend may have been caused by the difficulty of assessing the effectiveness of this policy activity, or by the policy not necessarily benefiting all stakeholders. In practice, however, the fluidity of digital content depends on the accessibility and interoperability of digital platforms, especially since content tends to be consumed over the Internet and in the converging industry. In addition, the supply side also benefits from improved efficiency in production and distribution of digital content. Thus, although the results show low necessity, policymakers should carefully assess the importance of the related policy for its bottom-up effect.

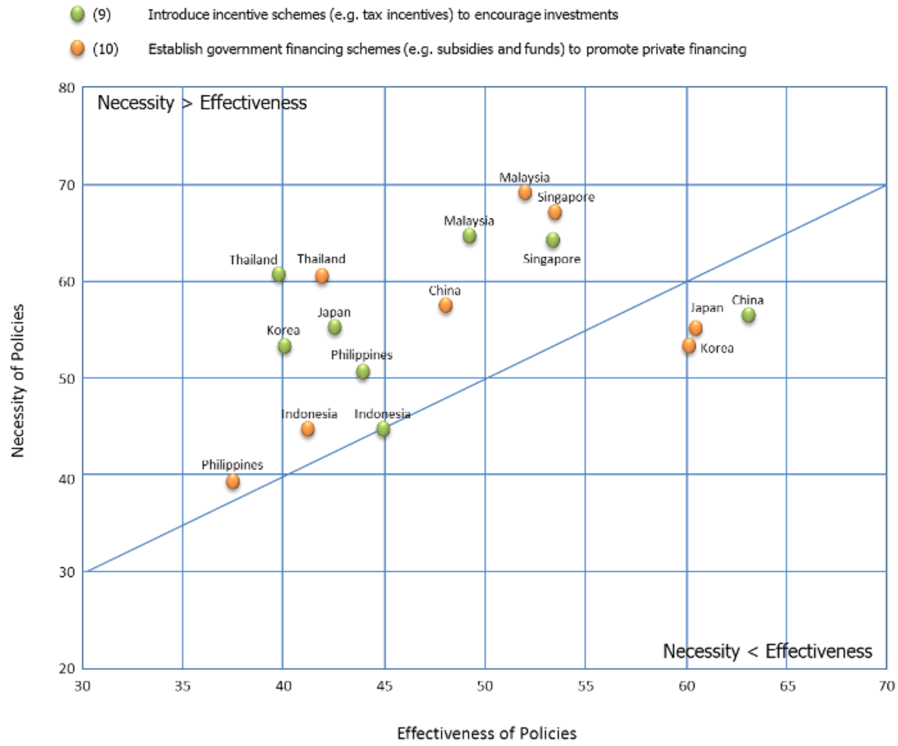
Policy #12 has higher level of necessity than #11, especially in Korea, Thailand, China, and Indonesia. These countries have high demand in fostering research and development and providing network infrastructure. Results for Korea and Thailand, for example, describe the intention of these countries to leverage and make use of their strength in technological infrastructure and environment, where the highest value of its awareness was observed (Chapter 13, Table 13-1). China sees a significantly higher level of effectiveness than other countries, which corresponds to the growth trend seen in the Chinese Internet and information technology sector, where numerous tech companies are entering the market with new services and increasing their international presence.

1.8. Legal Frameworks

Figure A-7 shows the evaluation of legal frameworks. For policy #13 (

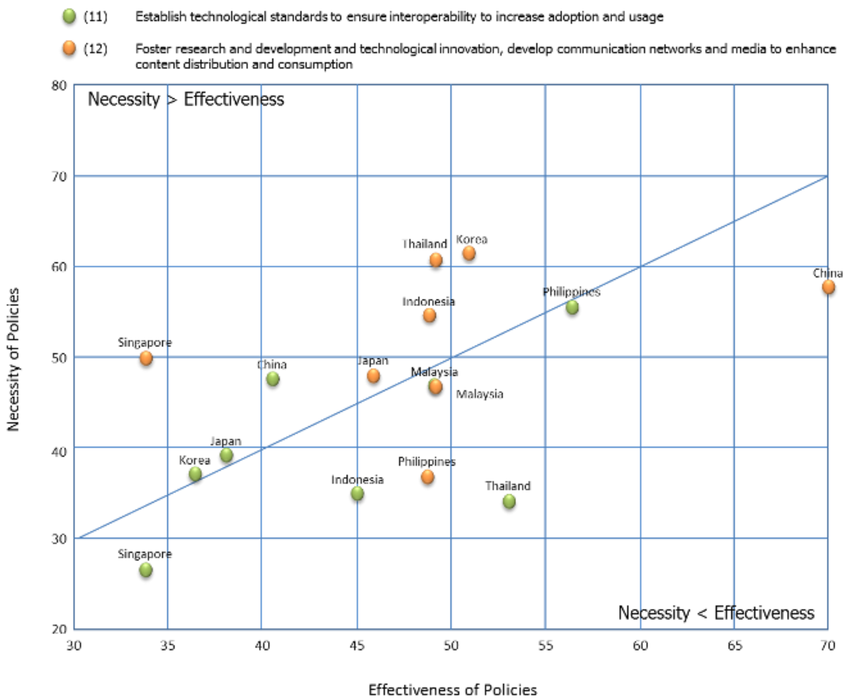
Introduce and review regulatory frameworks for market entry, content quotas), both necessity and effectiveness are relatively low. China has high necessity, which may be the result of the industry's expectation as it is currently 'a work in progress' of policy implementation. Singapore and Thailand, N > E, have relatively high necessity. Korea has the highest effectiveness although its demand is limited. For policy #14 (Introduce and review intellectual property rights protection, management, anti-piracy measures), Figure A-7 shows the evaluation of introducing and reviewing intellectual property rights protection management, including anti-piracy measures.

Figure A-5: Finance—Evaluation of Policy Area



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure A-6: Technology—Evaluation of Policy Area



Source: Evaluation Survey of Content Industry Promotion Policies.

Recognition of necessity is high in most countries and further improvement is expected in all countries, except the Philippines and Malaysia, even though the evaluation of current measures is not very low. Content piracy is the biggest challenge the stakeholders commonly recognise, since it prevents companies from recouping the cost of content creation and investing in the next creation. Piracy is becoming more difficult to deal with, especially in the digital environment. Although some measures can be taken by individual companies, others may require joint efforts by industry organisations or governments. Now that the content industry acknowledges that piracy is a big issue for the development of the content industry, it is essential to take a step forward to solve the problem by, for example, building networks and enhancing knowledge sharing on anti-piracy measures.

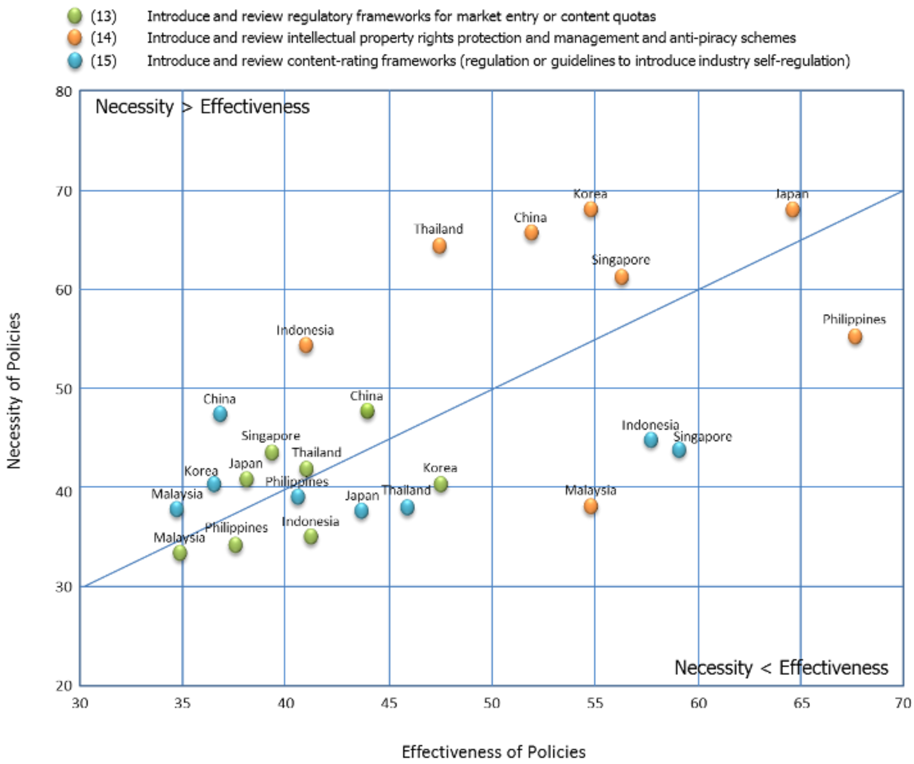
The values for policy #15 are low for both necessity and effectiveness, as they are for #13. Indonesia and Singapore show E > N, with high effectiveness. Policy activities in some countries (China, Malaysia, and the Philippines) are still 'a work in progress' or 'planned or under planning'.

2. Analysis of Policies

2.1. Expected Outcome and Effect of Policies

It is essential to periodically assess policy demand and the interest of industry stakeholders (including consumers), and how policies are performing and meeting the main objectives and demand. In this section, expectation of policy outcome is first explained, as it is one of the factors that drive policy demand. It is worth noting, however, that expectation is the consequence of current policy implementation. Figure A-8 shows the results. Overall, respondents expect direct effects in terms of increased revenues and business opportunities. Only the Philippines has higher results for business opportunities. Each country also has unique expectations of the policies, which generally vary in terms of industry development.

Figure A-7: Legal Frameworks—Evaluation of Policy Area



Source: Evaluation Survey of Content Industry Promotion Policies.

For example, developed countries (Group 1) have lower expectations or demands regarding improvement in product quality. The majority of respondents in Singapore and Malaysia (Group 2) and the Philippines expect effects in that area. These three countries and Thailand have high results in increase in investment and financial sponsorship, which match the results in Section 1.5.

Figures A-9 and A-10 indicate the effects of each policy, based on the percentage of respondents. For policies on industry promotion, the majority of respondents consider them effective in increasing revenues and/or business opportunities. For policies on business relationships, more respondents consider them to have effects on increase in business opportunities and networking. For policies on human resources, finance, technology, and legal frameworks, many respondents consider them to have effects on improvement in various fields such as business opportunities, quality of products, and capability of businesses. Table A-1 aggregates these results and maps the relationship between each policy and its effects. The contributions of each policy activity are summarised below:

- Policy activities #1–7 and 10 induce expansion in business opportunities.[6]
- Policy activities #7–12 contribute to raising quality and ability necessary for business operation and management.[7]
- Policy activities #1, 2, 4, 10, 12, and 15 (especially #12) contribute to increase in revenue.[8] Policy #12 is considered important by all the countries (Section 1.6).
- Policy activities #13–15 contribute to decreasing the risks in the content business.[9]

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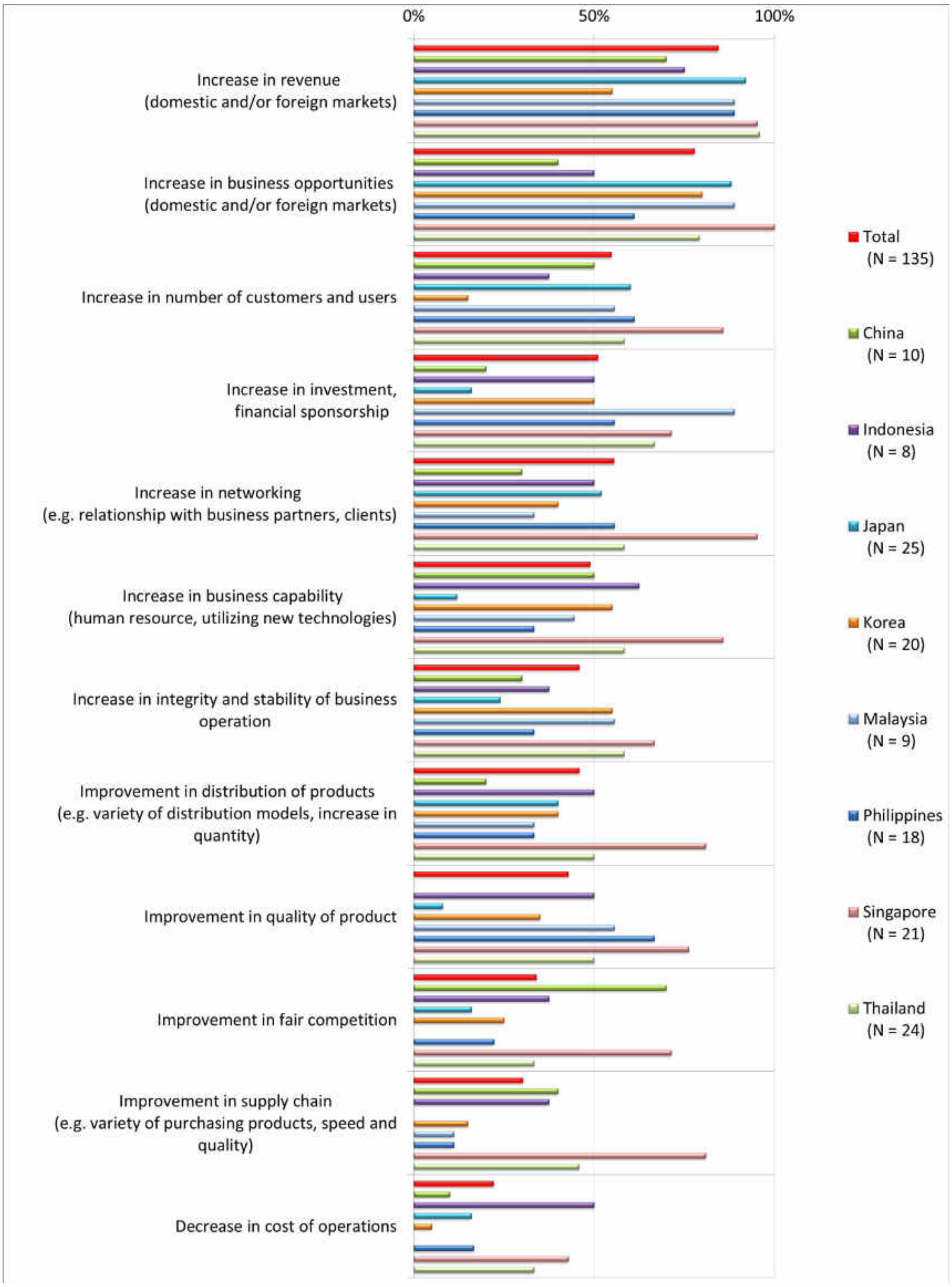
[6] (1) Communicate industrial development visions and master plans and provide relevant statistics for benchmarking
(2) Stimulate establishment of industrial clusters, promote market development that spur content demand, foster new business models
(3) Support industry-led organisations to aggregate industrial interests and/or functions
(4) Support building of business relationships
(5) Establish international agreements
(6) Promote brands and campaigns, host or support participation in international trade events and meetings
(7) Establish standards for business skills, qualification and certification frameworks for related skills and knowledge
(10) Establish government financing schemes to promote private financing

[7] (7) Establish standards for business skills, qualification and certification frameworks for related skills and knowledge
(8) Support education
(9) Introduce incentive schemes to encourage investments
(10) Establish government financing schemes to promote private financing
(11) Establish technological standards to ensure interoperability to increase adoption and usage
(12) Foster research and development and technological innovation, develop communication networks and media to enhance distribution and consumption of content products

[8] (1) Communicate industrial development visions and master plans and provide relevant statistics for benchmarking
(2) Stimulate establishment of industrial clusters, promote market development that spur content demand, foster new business models
(4) Support building of business relationships
(12) Foster research and development and technological innovation, develop communication networks and media to enhance distribution and consumption of content products
(15) Introduce and review content-rating framework

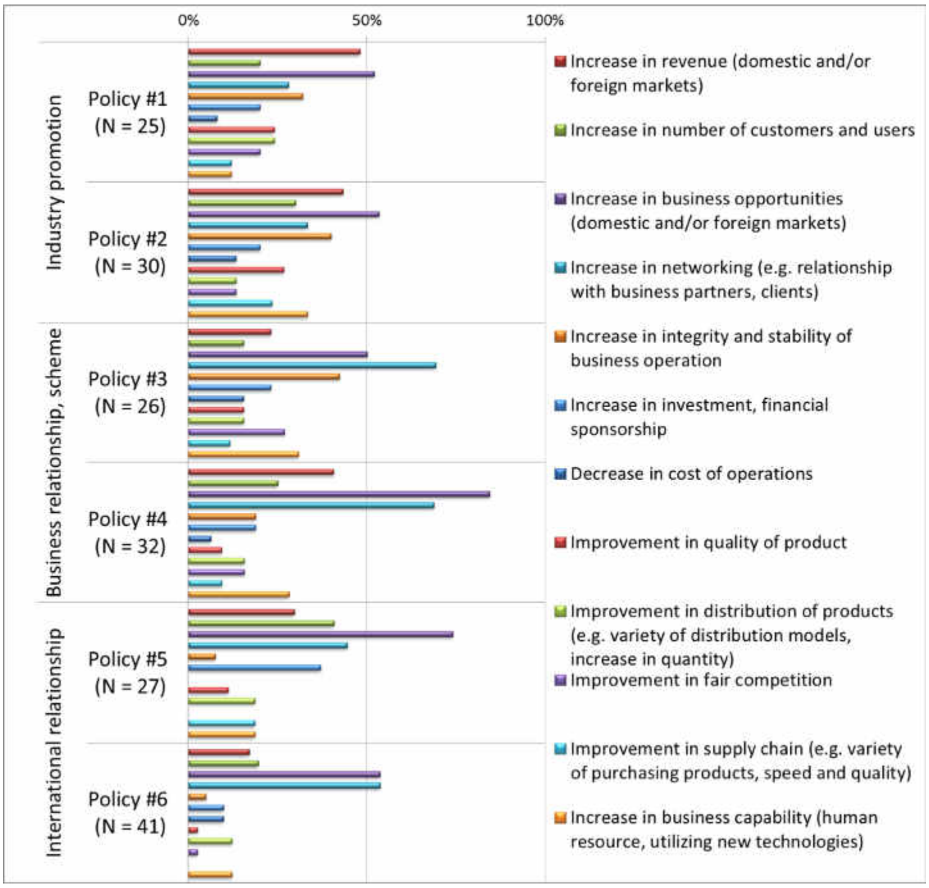
[9] (13) Introduce and review regulatory frameworks for market entry, content quotas
(14) Introduce and review intellectual property rights protection and management and anti-piracy schemes
(15) Introduce and review content-rating framework

Figure A-8: Expected Outcomes of the Policies



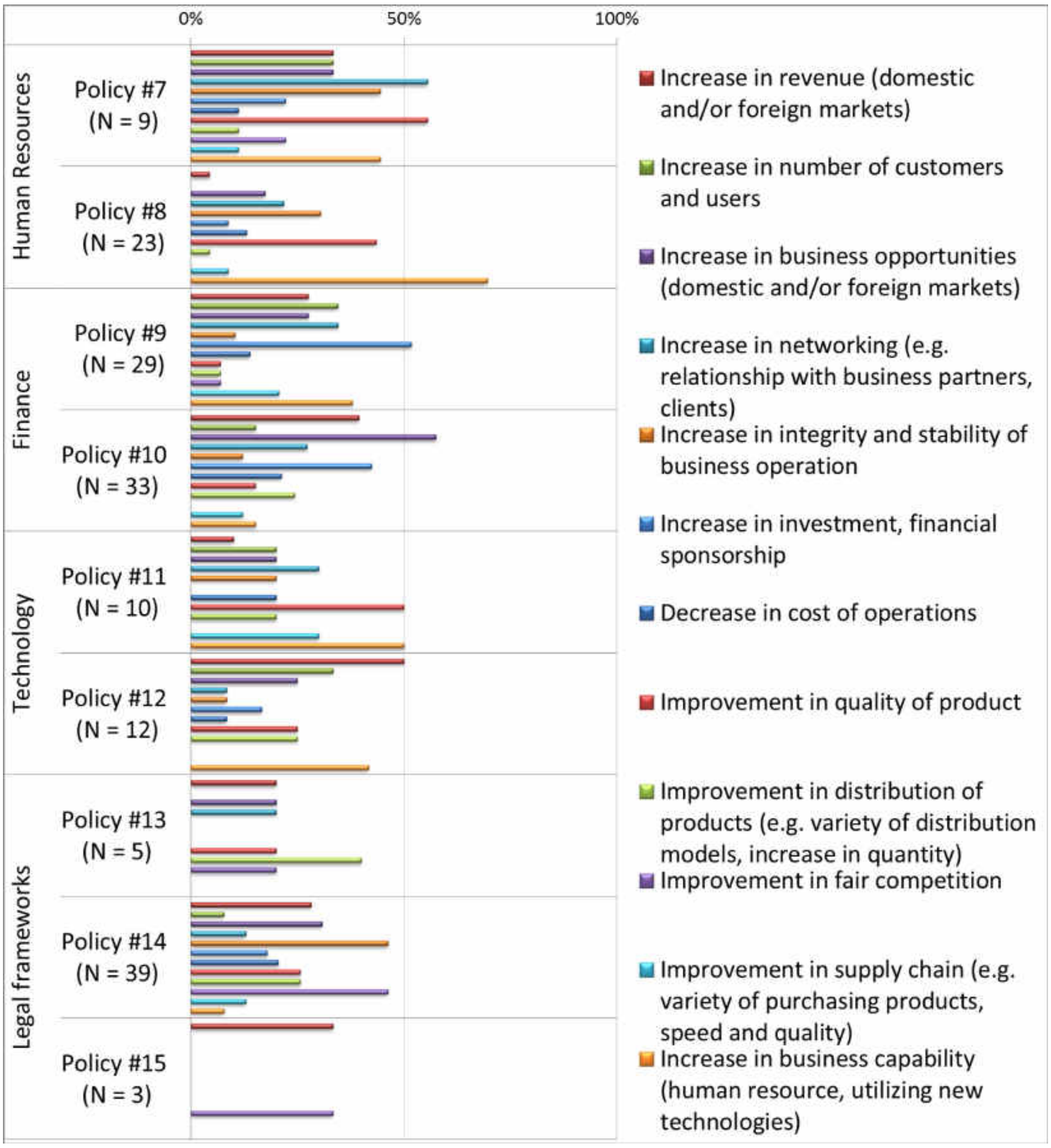
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure A-9: Effects of Each Policy—All Member Countries
Policy objective: To promote the content industry and market development



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure A-10: Effects of Each Policy (All Member Countries)
Policy objective: To provide the basic infrastructure and promote competiveness of content business and creation



Source: Evaluation Survey of Content Industry Promotion Policies.

Table A-1: Relationship between Policy Area and Activity and Effect

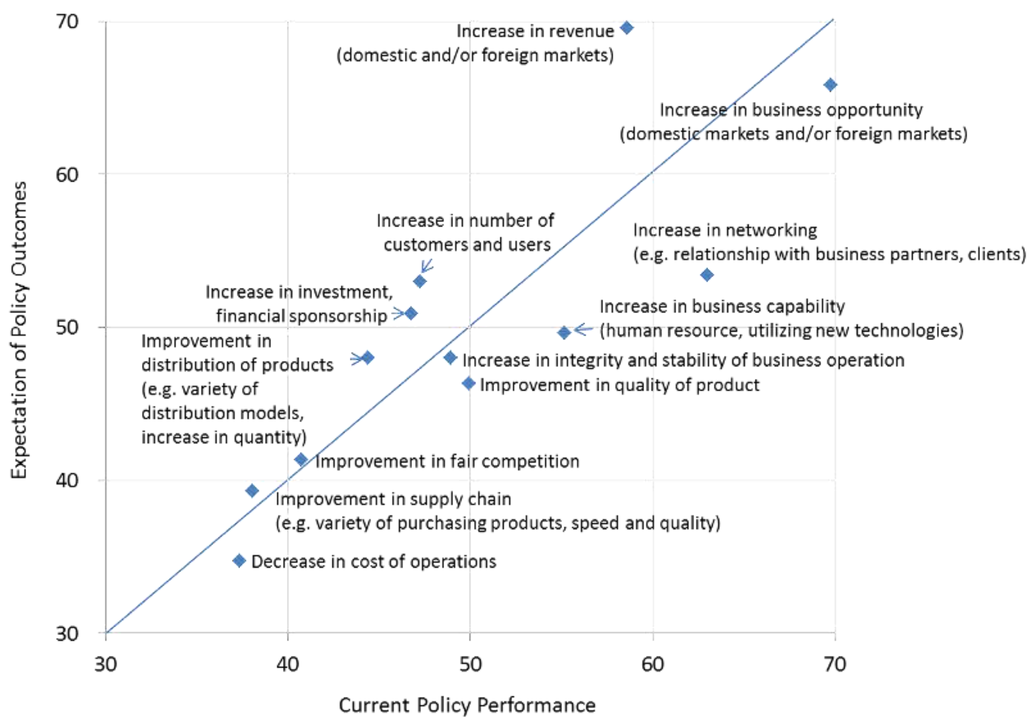
Effect \ *Policy Activity*	To promote the content industry and market development						To provide the basic infrastructure and promote competiveness of content business and creation								
	Industry promotion		Business relationships, scheme		International relationships		Human Resources		Finance		Technology		Legal frameworks		
	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11	#12	#13	#14	#15
Increase in revenue	2	2		3						3		1			1
Increase in number of customers and users					3										
Increase in business opportunities	1	1	2	1	1	1				1					
Increase in networking			1	2	2	1	1								
Increase in integrity and stability of business operation		3	3											1	
Increase in investment, financial sponsorship					4				1						
Decrease in cost of operations															
Improvement in quality of product							1	2		2	1				
Improvement in distribution of products													1		
Improvement in fair competition														1	1
Improvement in supply chain															
Increase in business capability								1	3		1	3			

>= 50%
< 50%

* The figures describe the number of policies that correspond to each effect (derived from Figures A-9 and A-10). ‘1’ means the effect has highest number of votes and ‘2’ the second highest.
Source: Evaluation Survey of Content Industry Promotion Policies.

Figure A-11 shows the relationship between current performance (horizontal axis) and expectation of policy outcomes (vertical axis), combining the results of previous sections. The figures are converted into deviation values. Note that mean average of the 15 policy activities is utilised for quantifying the current performance of policies. For the elements in the right-hand area (increase in business opportunities, networking, business capability, etc.), current performance exceeds expected outcomes, which means that the policies have a positive impact correspondent to demand. Elements in the left-hand area (increase in revenue, increase in number of customers and users, and increase in investment and financial sponsorship) have high values in terms of expectation, although current performance still needs improvement. These elements are important to develop the content business and to maximise the effects of policy activities #5, #9, #12, and #13 (Table A-1).

Figure A-11: Relationship between Current Performance and Expectation of Policy Outcomes



Source: Evaluation Survey of Content Industry Promotion Policies.

2.2. Key Success Factors of Policy Implementation

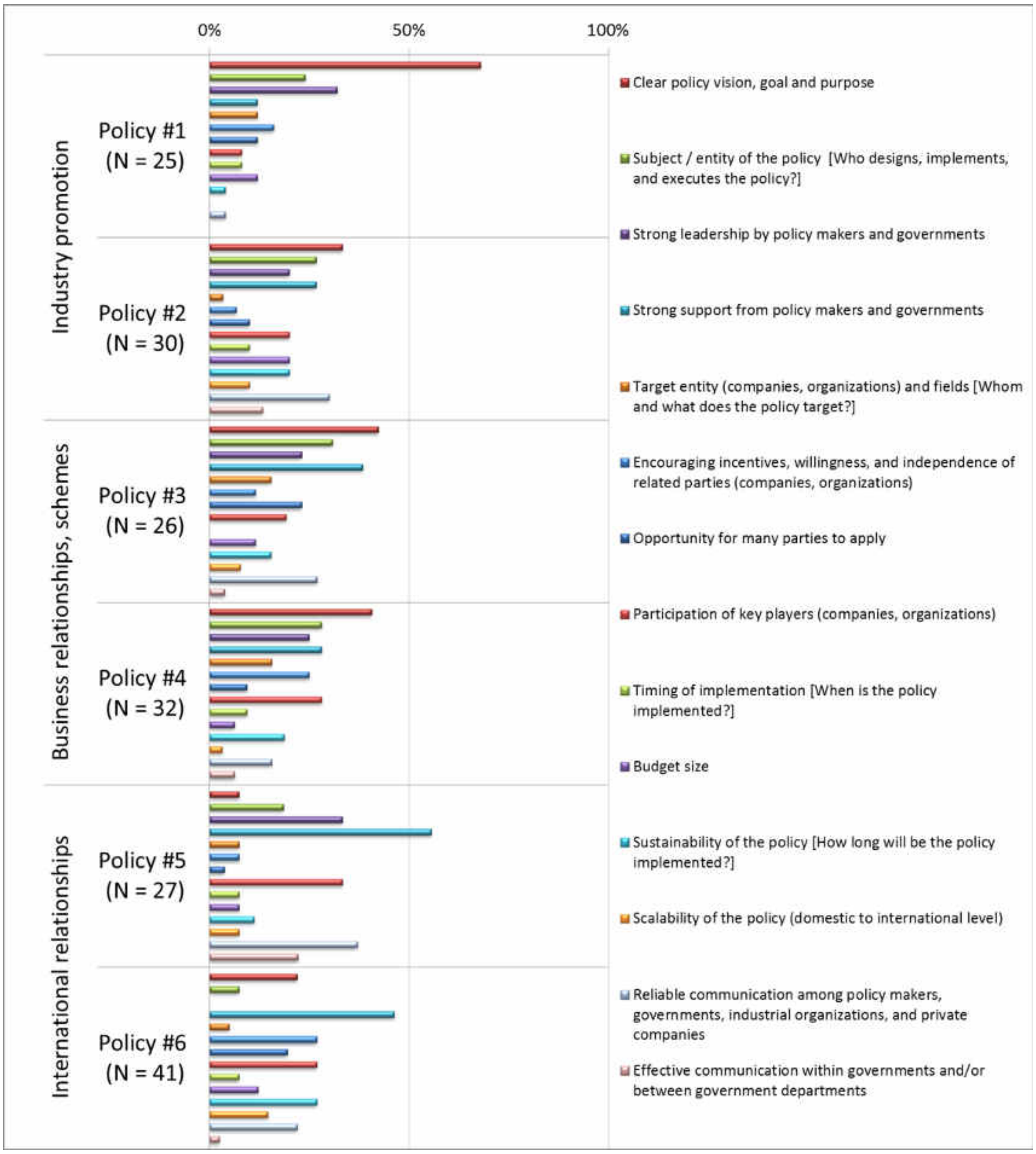
Figures A-12 and A-13 indicate what respondents consider the key success factor (KSF) for each policy.

Each high-priority policy has different perspectives on KSFs. Policy #1 (Communicate industrial development visions, master plans, statistics) is mostly driven by a clear policy vision, goal, and purpose. Policy #5 (Establish international agreements) is driven by strong support from policymakers and government. Policy #9 (Introduce incentive schemes to encourage investments) seems not to have a significant factor (at least not within the hypothesis of the research) and is, therefore, considered relatively difficult to deal with by industry and government. Policy #10 (Establish government financing schemes to promote private financing) has a similar issue, although strong government support is essential. Policy #14 (Introduce and review intellectual property rights protection and management, anti-piracy measures) has different perspectives, where reliable communication among policymakers, government, industrial organisations, and private companies is also important. This can be applied to mutual collaboration among countries to improve and enjoy a scale effect on overall performance in the region.

Table A-2 aggregates these results and maps the relationships between policy area and activity and KSF. The top three KSFs are (1) strong support from policymakers and government; (2) clear policy vision, goal, and purpose; and (3) reliable communication among stakeholders. Some policies require a clear definition of target entity, leadership of key players, or budget size. Strong government leadership was not considered a KSF.

Figure A-12: Key Success Factors of Policies—All Member Countries

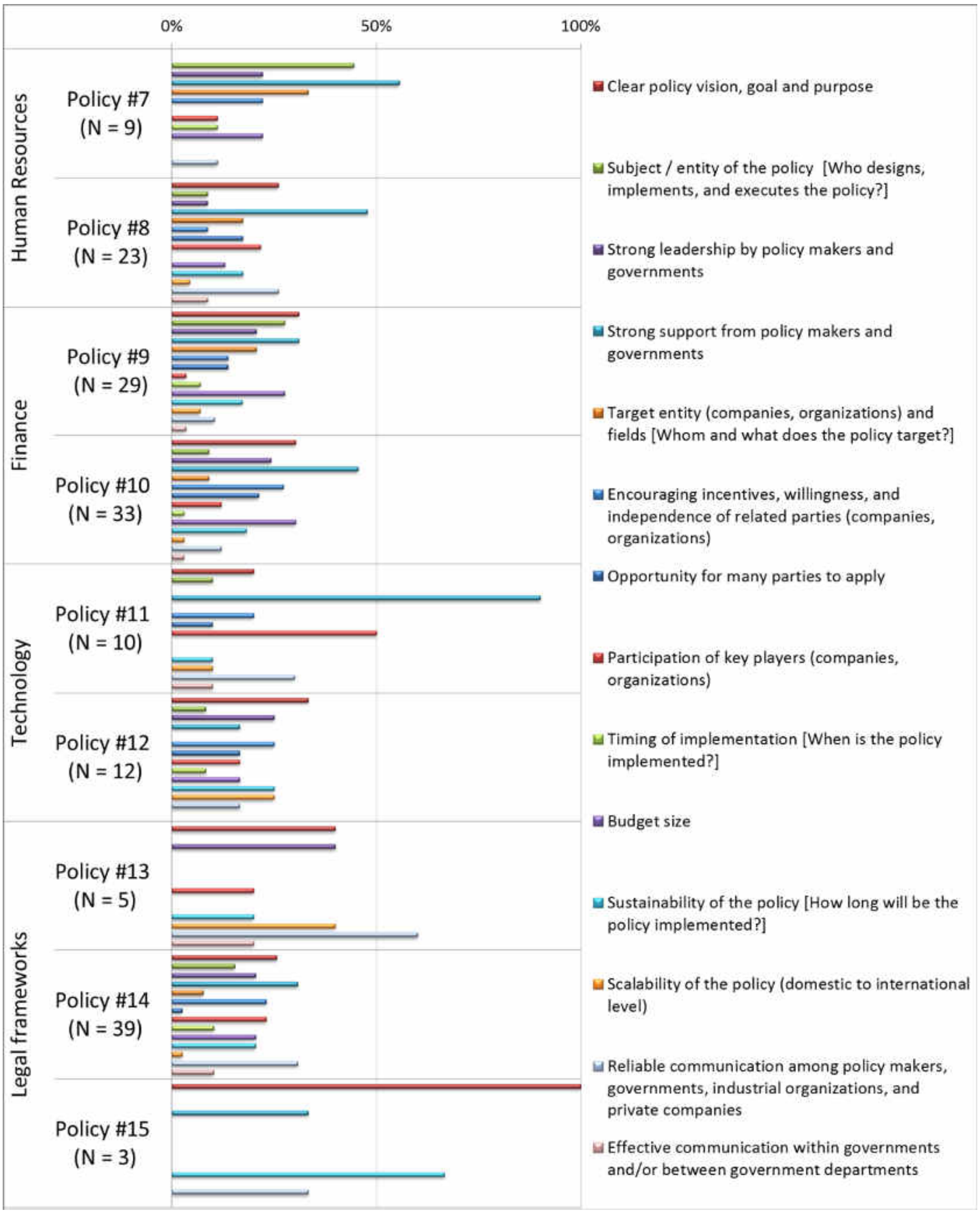
Policy objective: To provide the basic infrastructure for and promote competiveness of content business and creation



Source: Evaluation Survey of Content Industry Promotion Policies.

Figure A-13: Key Success Factors of Policies—All Member Countries

Policy objective: To promote the content industry and market development



Source: Evaluation Survey of Content Industry Promotion Policies.

Table A-2: Relationship between Policy Area and Activity and Key Success Factor

Policy Activity / *Key Success Factor*	To promote the content industry and market development						To provide the basic infrastructure and promote competiveness of content business and creation								
	Industry promotion		Business relationships, scheme		International relationships		Human Resources		Finance		Technology		Legal frameworks		
	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11	#12	#13	#14	#15
Clear policy vision, goal and purpose	1	1	1	1				2	1	2		1	2		1
Subject / entity of the policy		3					2								
Strong leadership by policy makers and governments					3								2		
Strong support from policy makers and governments		3	2		1	1	1	1	1	1	1			1	
Target entity and fields							3								
Increase in investment, financial sponsorship															
Encouraging incentives, willingness, and independence of related parties															
Opportunity for many parties to apply															
Participation of key players					3						2				
Timing of implementation															
Budget size									3	2					
Sustainability of the policy															2
Scalability of the policy													2		
Reliable communication among policy makers, governments, industrial organizations, and private companies		2			2			2					1	1	
Effective communication within governments and/or between government departments															

>= 50%
< 50%

* The figures describe the number of policies that correspond to each component of the key success factors (KSFs) (derived from Figures A-12 and A-13). ‘1’ means the KSF has the highest number of votes and ‘2’ the second highest.
Source: Evaluation Survey of Content Industry Promotion Policies.

2. Details of the Policy Recommendation

This section describes the details of the recommendation of the 'Study on the Development Potential of the Content Industry in East Asia and ASEAN Region' (FY2012 Recommendation).

1. Promote collaboration to enhance the content industry in each member country

- The growth of the content industry in each member country and in the region requires mutual cooperation and collaboration among countries. Implementation of the following activities should be considered:

(1) Exert continuous effort to provide collaboration opportunities (G–G, G–P, and P–P, where G stands for government and P, for private sector).

- Continuous effort is required to create opportunities for collaboration between government and the private sector in each country. Holding regular meetings for both sectors is an effective method for sharing information and exchanging opinions among member countries.
- Through meetings, participants are welcome to propose areas for collaboration, such as particular joint projects.

(2) Standardise the framework and tools for quantitative assessment, such as statistics relating to the content industry.

- A common regional and global statistical framework defining the content industry market size and labour force is limited. Instead, each country has its own unique framework.
- To promote the content industry in the region, it is important to standardise the statistical framework for market size and labour force in member countries. Once this is achieved, the following advantages are expected: the availability of cross-country comparison for market analysis and the

evaluation of economic effectiveness, the facility of comparing results of joint projects in each member country, and so on.

- In the FY2012 project, the market size of the audiovisual content industry in each member country was estimated using a common statistical framework. This approach is expected to be continued and may be revised if necessary.

(3) Enhance a cooperative promotion policy for international co-production (bilateral and multilateral).

- International co-production is an opportunity for participating countries to see the growth of human development and companies and to facilitate distribution of content created in each member country. It is, therefore, significant for the growth of the region's content industry.
- To promote international co-production, a major activity is strengthening policy measures through mutual cooperation among member countries. Exchanging opinions and holding negotiations for this purpose through meetings listed in (1) are expected.

(4) Standardise regulations and policy measures (e.g. rules and customs related to international co-production)

- Regulations or promotion policies for the content industry in each member country are expected to be standardised and strengthened in terms of mutual cooperation. For example, co-production can be facilitated by standardising rules and customs related to international co-production and by reducing procedures and tasks in practical activities for co-production.

2. Reinforce principal factors in each country's content industry

- A set of policies for content industry promotion in each member country has been proposed. The policies are divided into four categories (2.1–2.4).

- The main purposes are to expand the base of the entire content industry, raise its standards, improve the market environment, create new markets, and expand existing markets.

2.1 Develop human resources

- The value of the content industry is created by human resources. Therefore, developing and strengthening human resources are most important for the industry’s growth.

(1) Support the discovery and training of talented people

- Most important to the content industry is finding talents and nourishing them. Most content companies, however, especially those that create content themselves, are relatively small, and finding talents and giving them educational opportunities tend to be a burden.
- It is, therefore, important to implement policy measures to support finding and nourishing talents. Through various approaches, it is essential to adopt arrangements suited to conditions in each member country.

(2) Support job creation in the media and content industries

- Hiring highly skilled and talented personnel is difficult because the content industry has many small enterprises where employment is not always stable and secure.
- A key factor in creating content industry jobs is government demand and subsidy.

(3) Develop training programmes to fill supply and demand gaps between academia and industry

- Although a small number of academic institutes provide programmes for the content industry, they do not always match its needs.
- On the other hand, since human development and educational programmes in private companies are often based on on-the-job training, the content and level of education may vary depending on which industry or company the talent works for. Some talents do not receive the educational opportunities needed to realise their potential skills.
- In either case, not enough talents with adequate abilities and skills can be supplied to fill the gap between demand and supply.
- The difficulty of evaluating abilities and skills based on curriculum vitae alone also leads to the demand and supply gap.
- By developing appropriate educational programmes and opening them to the public, the number of talents with the abilities and skills to match the industry’s demand is expected to increase.

(4) Deregulate personnel exchange and visa regulations and simplify procedures

- To encourage regional co-production and improve the mobility of human resources, rules and procedures related to personnel transfer and exchange (immigration) must be simplified.

2.2 Promote business

- To strengthen and stabilise the content industry, private companies must be supported. Since the content industry is composed mainly of small and medium-sized enterprises (SMEs), supporting content companies is an effective way to strengthen SMEs in general.
- Specifically, when a single company cannot handle certain issues, government support is extremely important.

- Creating a business environment that reduces limitations on SMEs will promote and stabilise the content industry.

(1) Establish and improve funding schemes (e.g. introduce incentive schemes for domestic and international funding)

- Since most content companies are SMEs, investing in a single company is relatively high risk, and evaluating the content itself is difficult so it is not easy to raise funds.
- By creating or improving fundraising schemes, the government will make it easier for content companies to raise funds. The government should also introduce a variety of systems that include private sector and other countries' schemes.

(2) Jointly provide resources to localise content (e.g. share information on companies, price lists, and evaluation)

- When producing, exporting, or commercialising content in foreign countries, 'localising' or adjusting it to export destinations is inevitable. Specifically, content should be translated, edited, or modified to meet the needs of the receiving cultures.
- Although often performed outside the content producer's country, these tasks cost more time and money than necessary due to the lack of information on reliable foreign operators, business customs, and so on.
- To localise content efficiently, members should share information on operators, fees, and evaluations.

(3) Promote international co-production

- Most companies hardly participate in international co-production. It will give companies opportunities to achieve more. They will benefit from meeting highly creative and skilled companies. Such arrangements will increase business or market innovations or even expand the scale of operations.

- It is, therefore, vital to promote international co-production that SMEs can join. Providing support for smooth co-production is also ideal.

2.3 Expand content trading

- Domestic market growth and expansion of regional trade are essential.
- The region's content market consists of a variety of countries and markets. Some countries wish to expand exports whereas some have large potential markets but suffer lack of supply. Others have good relationships with foreign partners that lead to or stimulate the growth of domestic industries and markets. If these countries want their own markets to grow, expanding and promoting regional content trade is critical. Complementing insufficient domestic supply and demand with foreign trade will lead to mutual growth.
- Standardisation of the intellectual property rights system, joint measures against piracy, and deregulation of import restrictions on legal content are required.

(1) Create a common intellectual property rights system

- An intellectual property rights system, including copyrights and trademarks, that varies from nation to nation will hinder regional transactions and distribution. At the minimum, member countries should consider standardisation and interoperability.

(2) Joint measures against piracy

- Anti-piracy measures are vital for the healthy development of the content industry. Online piracy, in particular, is so pervasive that international cooperation is essential to combat cross-border intellectual property infringement.

- Along with creating a mechanism for immediate exchange and sharing of information on piracy, establishing a law enforcement network is fundamental.

(3) Deregulate imports of legal content

- Some countries set a quota on the distribution of foreign-made products in the domestic market, based on the amount of foreign content, to protect the countries' cultures and content industries. Such regulations exist not only in the region but also in Europe and elsewhere.
- Such regulations, on the other hand, suppress regional content trade. If expanding trade is essential for the growth of the regional content industry, relaxing regulations is critical.

2.4 Use new technologies effectively

- The content industry is based not only on creativity but also on new technologies. Content market development is expected to continue, and the Internet, its services and platforms, the diffusion of smartphones and wearable devices, 3D, 4K/8K, AR (augmented reality), and so on are expected to create new markets.
- On the other hand, new technologies can rapidly and profoundly change the market order. However, from a consumer's perspective, negative impact caused by these changes should be prevented.
- Policies that make the best use of new technologies, while paying attention to their effects and influence on the market, are significant.

(1) Provide opportunities for information sharing and exchange of ideas among governments and business operators of each country

- To promote innovative services and the creation of new markets and also to prevent market distortion due to rapid market changes, it is essential to collect and share information on trends in emerging technologies and new services based on them.

(2) Promote international standardisation of new technologies

- Standardisation is important to make the best use of new technologies and widen the market. With the globalisation of distribution and the growth of the Internet, the international expansion of content trade and the promotion of global standardisation early on is critical. Sharing information and taking action, if necessary, for standardisation is expected to be considered.

3. 3. Survey Questionnaire

Basic Information on Implementing Questionnaire Survey is shown as below.

- **Implementation Period**
  - ✓ From 28 December 2013 to 14 April 2014
  - ✓ Implementation period from the start until the end of the questionnaire survey depended on each member country.
- **Language Selections**
  - ✓ English (original), Chinese, Indonesian, Japanese, Korean, Thai
  - ✓ Prospective respondents could select one of six languages.
- **Implementation Method**
  - ✓ Each member country could select digital file format, web-based questionnaire and hand-written format, or multiple formats.

Country	Format
China	Digital file format and web-based questionnaire
Indonesia	Hand-written format and web-based questionnaire
Japan	Hand-written format and web-based questionnaire
Korea	Digital file format and web-based questionnaire
Malaysia	Web-based questionnaire
Philippines	Web-based questionnaire
Singapore	Web-based questionnaire
Thailand	Digital file format, and hand-written format and web-based questionnaire

- **Questionnaire**
  - ✓ Digital file format and hand-written format are shown in the next pages.

Evaluation Survey of Content Industry Promotion Policies
-Background and Objectives-

<u>Background</u>

- The Asian content industry and market is continuously seeing a high growth, and is expected to be one of the important regions in a global perspective. In order to foster the potential and to promote its development, it is essential to consider and implement governmental initiatives and policies domestically, and also to collaborate among countries in this region.
- Mitsubishi Research Institute (Tokyo, Japan) was appointed by ERIA (Economic Research Institute for ASEAN and East Asia) to conduct a research on the development potential of the content industry in East Asia and ASEAN region, collaborating with governmental representatives from eight countries* (Hereinafter referred to as ‘ERIA research project’).

  * China, Indonesia, Japan, Korea (South Korea), Malaysia, Philippines, Singapore, Thailand

Objectives of this questionnaire

- This questionnaire survey is intended to evaluate current polices implemented in each country, and to discover policy needs and demands which would further foster its development domestically and regionally. The result of the survey would be analysed to prioritise current and future policies, as well as to look at the KFS (Key Factor for Success) and the challenges of implementation.

  *For the sake of recognition, here content industry refers to areas in TV broadcasting, Animation, Film, Music, and Games.

Target respondents

- This questionnaire is addressed to various business entities engaged in content business, industrial organisations, as well as policymakers promoting and/or regulating the content industry, in each member country of the ERIA research project. To facilitate the process of answering the questionnaire and to get as broad and detailed picture as possible, we encourage you to coordinate responses from different sections within your organisation.

Format and guidance

- The questionnaire offers a 'tick-the-box' format as well as a set of open questions and possibilities for comments. While the tick-the-box format is intended for speedy completion and help quantitative analysis, the open questions and comments reflect the potential perspective of the subject area.

Outcome of the survey

- The findings of the survey will be analysed and discussed in the ERIA research project meetings. Based on the findings, discussions, and additional work by the secretariat, a report will be published on behalf of ERIA. The report will address policy recommendations for policymakers as well as for the industry, which should provide certain guidance in promoting the content industry.

Appendix

<Business Respondents>

Chapter 1. About your organisation / business
For the sake of recognition, here content industry refers to areas in TV broadcasting, Animation, Film, Music, and Games.
Name of your organisation / department

1-1 Please select your country. [Select one]

□ China	□ Indonesia	□ Japan	□ Malaysia
□ Singapore	□ South Korea	□ Philippines	□ Thailand

1-2 What is your company's main business, in particular the final type product of content? [Select all that apply]

□ TV programme	□ Film	□ Animation	□ Games	□ Music	□ Others (______)

1-3 What is your company's main operation in terms of value chain? [Select all that apply]

□ Production	□ Post production
□ Broadcasting	□ Distribution (mainly B to B process)
□ Sales (mainly B to C process) *	□ Purchase/Aggregation
□ Manufacturing*	□ Others (__________)
* includes sales / manufacturing of related products (e.g. licensed character goods)	

1-4 Please select your regional (market) footprint, including export, licensing, business operation, etc. [Select all that apply]

□ Domestic (no oversea operation)		□ China
□ Asia	Select	□ Indonesia
□ North America	Country	□ Japan
□ South & Central America		□ Malaysia
□ Middle East		□ Singapore
□ Europe		□ South Korea
□ Africa		□ Philippines
□ Others ( )		□ Thailand
		□ Others ( )

1-5 Please provide with basic information of your organisation

(1) Annual turnover for FY 2012, or the latest (Consolidated)	□ <$500k	□ $501k–$10m	□ $11m–$100m	□ $101m–$1000m	□ >$1000m
(2) Number of employees (Consolidated)	□ <50	□ 51–100	□ 101–500	□ 501–1000	□ >1000

Chapter 2. Current status of the content industry in your country

2-1 How would you assess the condition (Strength and Weakness) in the content industry in your country? Please answer for each of the item [(1) – (10)].

[Select one for each item]

Item	Very weak	weak	Moderate	Strong	Very Strong
(1) Ability and skill to create content products (e.g. creating attractive ideas, creating high quality content, modelling business for specific product and services)	1	2	3	4	5
(2) Ability to sell content products (e.g. existence of strong and reliable distribution market, diversity in business models, access to relevant market and overseas)	1	2	3	4	5
(3) Overall market conditions (e.g. existence of high value added markets, ideal competitive environment, level of quality/literacy of consumers)	1	2	3	4	5
(4) Potential domestic content market size (e.g. effective market population, positive correlation with GDP growth)	1	2	3	4	5
(5) Accessibility and availability to financial services (e.g. loans and investments, private fund and capitals, sponsorship)	1	2	3	4	5
(6) Relationships with foreign countries **not specific to certain country* (e.g. linkage between countries through languages/cultures/religions, existence of economic partnership such as FTAs)	1	2	3	4	5
(7) Technological infrastructure and environment for consumers to access variety of content (e.g. coverage and penetration of communication and media infrastructure, services, distribution networks)	1	2	3	4	5
(8) Potential human resource for content industries (e.g. effective educational programmes and systems for human resource development, carrier path for talents in the industry, programmes for introducing new technologies)	1	2	3	4	5
(9) Relationships with other industries to produce diversity of	1	2	3	4	5

related products (e.g. existence of reliable manufacturers, distributers, service providers)					
(10) Governmental promotion policies (e.g. various and effective measures to promote the industry development)	1	2	3	4	5

2-2 What are the challenges, the content industry in your country/your business is currently facing?

External issues (Market/industry perspective)	□ Lack of fund, financial support
	□ Increase in cost of operation (including cost of labour)
	□ Price reduction of products
	□ Lack of business matching opportunities
	□ Spread of piracy contents (need of content protection mechanism)
	□ Adapting to new business models and technologies
	□ Others (_________________________)
Internal issues (Business entity perspective)	□ Lack of market information (consumers, suppliers, etc.)
	□ Insufficient labour force (quality and/or quantity)
	□ Insufficient use of new technologies
	□ Insufficient knowledge of oversea promotion
	□ Insufficient knowledge of oversea promotion, international business
	□ Insufficient relationship with reliable business partners
	□ Others (_________________________)

2-3 What do you consider are the future challenges regarding content industry/business development (domestically, regionally, and internationally)? [Please comment]

Chapter 3. Evaluation of the current policy for content industry promotion

[In this section, please refer to the 'Policy categorisation table']

3-1 Are you aware of the current policies or programmes that are implemented in your country, related to each policy? In case one current policy or initiative falls under several items in the list, please select all.

Policy	[Select one for each policy]	
	1. Yes, I am aware of the policies implemented in our country	2. No, I am not aware of any policies implemented in our country
(1)	☐	☐
(2)	☐	☐
(3)	☐	☐
:	☐	☐

3-2 In general, policies and programmes are planned and implemented with expectation to produce good effects.
In that sense, what is your current assessment regarding the result of the policy? Do you consider the policies have achieved expected objectives effectively?

Policy*	[Select one for each policy]		
	1. It does not seem effective as expected	2. It seems effective as expected	3. It seems more effective than expected
(1)	☐	☐	
(2)	☐	☐	
(3)	☐	☐	
:	☐	☐	

**On the web-based questionnaire, respondents will only answer to the policies that they are aware of (From question 3-1)*

3-3 What kind of effects/outcomes have you recognised in your business as a result of each policy? Please select the top 3 policies which you consider had the most effectiveness.

Policy*		[Select all that apply for each policy]
(1)	□	Increase in revenue, market share (domestic markets and/or foreign markets)
	□	Increase in number of customers/users (market share)
	□	Increase in business opportunity (domestic markets and/or foreign markets)
	□	Increase in networking (e.g. relationship with business partners, clients)
	□	Increase in integrity and stability of business operation
	□	Increase in investment, financial sponsorship
	□	Decrease in cost of operation
	□	Improvement in quality of product
	□	Improvement in distribution of product (e.g. variety of distribution models, increase in quantity)
	□	Improvement in fair competition
	□	Improvement in supply chain (e.g. variety of purchasing products, speed and quality)
	□	Increase in capability of business (human resource, utilising new technologies)
	□	Others/unexpected effects ( )

3-4 What do you consider the <u>most important element (key success factor)</u> for improving the effectiveness of each policy? Please select the top 3 policies which you consider had the most effectiveness.

Policy*		[Select all that apply for each policy]
(1)	□	Subject/entity (Who)
	□	Target entity (companies, organisations) and fields (Whom/Where)
	□	Timing of implementation
	□	Participation of key players (companies, organisations) and/or key players
	□	Budget size
	□	Others ( )

3-5 How do you consider the challenges (difficulties, constraints) in implementing each policy? Please comment on [Others] if you recognise any side effects of each policy.

Policy*		[Select all that apply for each policy]
(1)	□	Subject/entity (Who)
	□	Target entity (companies, organisations) and fields (Whom/Where)
	□	Target objective (What)

	□	Timing of implementation
	□	Participation of key players (companies, organisations) and/or key players
	□	Budget size
	□	Others ( )

**On the web-based questionnaire, respondents will only answer to the policies that they are aware of and consider had effect (From question 3-2)*

3-6 In general, how successful is the policy in promoting content industry development?

Not Successful	Successful	Very Successful
□	□	□

3-7 How necessary (important) is each policy for your business and the content industry to develop in your country?
Also, please select and prioritize the top 5 policies you think is most necessary/important.

Policy	[Select one for each policy]			[Select 1-5]
	1. Not Necessary / Important	2. Necessary / Important	3. Very Necessary / Important	
(1)	□	□	□	□
(2)	□	□	□	□
(3)	□	□	□	□
:	□	□	□	□

3-8 What are the reasons and what outcome do you expect from these policies? (Please refer to choices in 3-3)
[Please comment]

3-9 What kind of policies and ideas do you think should be addressed in terms of regional (Asia) content industry development? Please select the top 3 you consider the most important at present and also in the future (after 3 years).

	At present	In the future (3 years)
Incentive schemes (e.g. tax rebates)	□	□
Mutual funding and subsidy schemes	□	□
Collaboration in anti-piracy measures	□	□

Collaboration in developing human resources (labour force, education)	□	□
Collaboration in implementing new technologies	□	□
Collaboration in holding effective international trade events and expos	□	□
Co-production agreements, treaties	□	□
Relax in current trade restrictions	□	□
Relax in current domestic regulation (e.g. Quotas)	□	□
Common content platform (e.g. Pan-Asian TV Channel that broadcasts content from various countries)	□	□
Others ( )	□	□

<Industrial Organisation / Academic Respondents>

Chapter 1. About your organisation

For the sake of recognition, here content industry refers to areas in TV broadcasting, Animation, Film, Music, and Games.

Name of your organisation/department

3-10 Please select your country. [Select one]

□ China	□ Indonesia	□ Japan	□ Malaysia
□ Singapore	□ South Korea	□ Philippines	□ Thailand

3-11 What is your organisation's main interest, in particular the final type product of content? [Select all that apply]

□ TV programme	□ Film	□ Animation	□ Games	□ Music	□ Others (______)

3-12 What is your organisation's main interest in terms of value chain? [Select all that apply]

□ Production	□ Post production
□ Broadcasting	□ Distribution (mainly B to B process)
□ Sales (mainly B to C process) *	□ Purchase/Aggregation
□ Manufacturing*	□ Others (__________)
* includes sales/manufacturing of related products (e.g. licensed character goods)	

Chapter 2. Current status of the content industry in your country

4-1 How would you assess the condition (Strength and Weakness) in the content industry in your country? Please answer for each of the item [(1) – (10)].

[Select one for each item]

Item	Very weak	weak	Moderate	Strong	Very Strong
(1) Ability and skill to create content products (e.g. creating attractive ideas, creating high quality content, modelling business for specific product and services)	1	2	3	4	5
(2) Ability to sell content products (e.g. existence of strong and reliable distribution market, diversity in business models, access to relevant market and overseas)	1	2	3	4	5
(3) Overall market conditions (e.g. existence of high value added markets, ideal competitive environment, level of quality/literacy of consumers)	1	2	3	4	5
(4) Potential domestic content market size (e.g. effective market population, positive correlation with GDP growth)	1	2	3	4	5
(5) Accessibility and availability to financial services (e.g. loans and investments, private fund and capitals, sponsorship)	1	2	3	4	5
(6) Relationships with foreign countries **not specific to certain country* (e.g. linkage between countries through languages/cultures/religions, existence of economic partnership such as FTAs)	1	2	3	4	5
(7) Technological infrastructure and environment for consumers to access variety of content (e.g. coverage and penetration of communication and media infrastructure , services, distribution networks)	1	2	3	4	5
(8) Potential human resource for content industries (e.g. effective educational programmes and systems for human resource development, carrier path for talents in the industry, programmes for introducing new technologies)	1	2	3	4	5

(9) Relationships with other industries to produce diversity of related products (e.g. existence of reliable manufacturers, distributors, service providers)	1	2	3	4	5
(10) Governmental promotion policies (e.g. various and effective measures to promote the industry development)	1	2	3	4	5

4-2 What are the challenges, the content industry companies in your country are currently facing?

External issues (Market/industry perspective)	□ Lack of fund, financial support
	□ Increase in cost of operation (including cost of labour)
	□ Price reduction of products
	□ Lack of business matching opportunities
	□ Spread of piracy contents (need of content protection mechanism)
	□ Adapting to new business models and technologies
	□ Others (__________________________)
Internal issues (Business entity perspective)	□ Lack of market information (consumers, suppliers, etc.)
	□ Insufficient labour force (quality and/or quantity)
	□ Insufficient use of new technologies
	□ Insufficient knowledge of oversea promotion
	□ Insufficient knowledge of oversea promotion, international business
	□ Insufficient relationship with reliable business partners
	□ Others (__________________________)

4-3 What do you consider are the future challenges regarding content industry/business development (domestically, regionally, and internationally)? [Please comment]

Chapter 3. Evaluation of the current policy for content industry promotion

[In this section, please refer to the 'Policy categorisation table']

5-1 Are you aware of the current policies or programmes that are implemented in your country, related to each policy? In case one current policy or initiative falls under several items in the list, please select all.

Policy	[Select one for each policy]	
	1. Yes, I am aware of the policies implemented in our country	2. No, I am not aware of any policies implemented in our country
(1)	□	□
(2)	□	□
(3)	□	□
:	□	□

5-2 In general, policies and programmes are planned and implemented with expectation to produce good effects. In that sense, what is your current assessment regarding the result of the policy? Do you consider the policies have achieved expected objectives effectively?

Policy*	[Select one for each policy]		
	1. It does not seem effective as expected	2. It seems effective as expected	3. It seems more effective than expected
(1)	□	□	
(2)	□	□	
(3)	□	□	
:	□	□	

**On the web-based questionnaire, respondents will only answer to the policies that they are aware of (From question 3-1)*

5-3 What kind of effects/outcomes have you recognised in the content industry as a result of each policy? Please select the top 3 policies which you consider had the most effectiveness.

Policy*		[Select all that apply for each policy]
(1)	□	Increase in revenue, market share (domestic markets and/or foreign markets)
	□	Increase in number of customers/users (market share)
	□	Increase in business opportunity (domestic markets and/or foreign markets)
	□	Increase in networking (e.g. relationship with business partners, clients)
	□	Increase in integrity and stability of business operation
	□	Increase in investment, financial sponsorship
	□	Decrease in cost of operation
	□	Improvement in quality of product
	□	Improvement in distribution of product (e.g. variety of distribution models, increase in quantity)
	□	Improvement in fair competition
	□	Improvement in supply chain (e.g. variety of purchasing products, speed and quality)
	□	Increase in capability of business (human resource, utilising new technologies)
	□	Others/unexpected effects ( )

5-4 What do you consider the <u>most important element (key success factor)</u> for improving the effectiveness of each policy? Please select the top 3 policies which you consider had the most effectiveness.

Policy*		[Select all that apply for each policy]
(1)	□	Subject/entity (Who)
	□	Target entity (companies, organisations) and fields (Whom/Where)
	□	Timing of implementation
	□	Participation of key players (companies, organisations) and/or key players
	□	Budget size
	□	Others ( )

5-5 How do you consider the challenges (difficulties, constraints) in implementing each policy? Please comment on [Others] if you recognise any side effects of each policy.

Policy*		[Select all that apply for each policy]
(1)	□	Subject/entity (Who)
	□	Target entity (companies, organisations) and fields (Whom/Where)

	☐	Target objective (What)
	☐	Timing of implementation
	☐	Participation of key players (companies, organisations) and/or key players
	☐	Budget size
	☐	Others ( )

**On the web-based questionnaire, respondents will only answer to the policies that they are aware of and consider had effect (From question 3-2)*

5-6 In general, how successful is the policy in promoting content industry development?

Not Successful	Successful	Very Successful
☐	☐	☐

5-7 How necessary (important) is each policy for the content industry to develop in your country? Also, please select and prioritize the top 5 policies you think is most necessary/important.

Policy	[Select one for each policy]			[Select 1-5]
	1. Not Necessary / Important	2. Necessary / Important	3. Very Necessary / Important	
(1)	☐	☐	☐	☐
(2)	☐	☐	☐	☐
(3)	☐	☐	☐	☐
:	☐	☐	☐	☐

5-8 What are the reasons and what outcome do you expect from these policies? (Please refer to choices in 3-3) [Please comment]

5-9 What kind of policies and ideas do you think should be addressed in terms of regional (Asia) content industry development? Please select the top 3 you consider the most important at present and also in the future (after 3 years).

	At present	In the future (3 years)
Incentive schemes (e.g. tax rebates)	☐	☐
Mutual funding and subsidy schemes	☐	☐
Collaboration in anti-piracy measures	☐	☐
Collaboration in developing human resources (labour force, education)	☐	☐

Collaboration in implementing new technologies	□	□
Collaboration in holding effective international trade events and expos	□	□
Co-production agreements, treaties	□	□
Relax in current trade restrictions	□	□
Relax in current domestic regulation (e.g. Quotas)	□	□
Common content platform (e.g. Pan-Asian TV Channel that broadcasts content from various countries)	□	□
Others ( )	□	□

<Policy Maker Respondents>

Chapter 1. About your organisation

For the sake of recognition, here content industry refers to areas in TV broadcasting, Animation, Film, Music, and Games.

Name of your organisation/department

5-10 Please select your country. [Select one]

□ China	□ Indonesia	□ Japan	□ Malaysia
□ Singapore	□ South Korea	□ Philippines	□ Thailand

5-11 What is your organisation's main focus in policy making, in particular the final type product of content? [Select all that apply]

□ TV programme	□ Film	□ Animation	□ Games	□ Music	□ Others (______)

5-12 What is your organisation's main focus in policy making in terms of value chain? [Select all that apply]

□ Production	□ Post production
□ Broadcasting	□ Distribution (mainly B to B process)
□ Sales (mainly B to C process) *	□ Purchase/Aggregation
□ Manufacturing*	□ Others (__________)
* includes sales/manufacturing of related products (e.g. licensed character goods)	

Chapter 2. Current status of the content industry in your country

6-1 How would you assess the condition (Strength and Weakness) in the content industry in your country? Please answer for each of the item [(1) – (10)].

[Select one for each item]

Item	Very weak	weak	Moderate	Strong	Very Strong
(1) Ability and skill to create content products (e.g. creating attractive ideas, creating high quality content, modelling business for specific product and services)	1	2	3	4	5
(2) Ability to sell content products (e.g. existence of strong and reliable distribution market, diversity in business models, access to relevant market and overseas)	1	2	3	4	5
(3) Overall market conditions (e.g. existence of high value added markets, ideal competitive environment, level of quality/literacy of consumers)	1	2	3	4	5
(4) Potential domestic content market size (e.g. effective market population, positive correlation with GDP growth)	1	2	3	4	5
(5) Accessibility and availability to financial services (e.g. loans and investments, private fund and capitals, sponsorship)	1	2	3	4	5
(6) Relationships with foreign countries *not specific to certain country* (e.g. linkage between countries through languages/cultures/religions, existence of economic partnership such as FTAs)	1	2	3	4	5
(7) Technological infrastructure and environment for consumers to access variety of content (e.g. coverage and penetration of communication and media infrastructure, services, distribution networks)	1	2	3	4	5
(8) Potential human resource for content industries (e.g. effective educational programmes and systems for human resource development, carrier path for talents in the industry, programmes for introducing new technologies)	1	2	3	4	5
(9) Relationships with other industries to produce diversity of related products	1	2	3	4	5

(e.g. existence of reliable manufacturers, distributers, service providers)					
(10) Governmental promotion policies (e.g. various and effective measures to promote the industry development)	1	2	3	4	5

6-2 What are the challenges, the content industry and companies in your country are <u>currently</u> facing?

External issues (Market/industry perspective)	□ Lack of fund, financial support
	□ Increase in cost of operation (including cost of labour)
	□ Price reduction of products
	□ Lack of business matching opportunities
	□ Spread of piracy contents (need of content protection mechanism)
	□ Adapting to new business models and technologies
	□ Others (________________________)
Internal issues (Business entity perspective)	□ Lack of market information (consumers, suppliers, etc.)
	□ Insufficient labour force (quality and/or quantity)
	□ Insufficient use of new technologies
	□ Insufficient knowledge of oversea promotion
	□ Insufficient knowledge of oversea promotion, international business
	□ Insufficient relationship with reliable business partners
	□ Others (________________________)

6-3 What do you consider are the future challenges regarding content industry/business development (domestically, regionally, and internationally)? [Please comment]

Chapter 3. Evaluation of the current policy for content industry promotion

[In this section, please refer to the 'Policy categorisation table']

7-1 What are the current policies or programmes that are implemented in your country, related to each policy? In case one current policy or initiative falls under several items in the list, please select all.

Policy	[Select one for each policy]		
	1. Yes, we have policies or initiatives	2. No, we don't have policies or initiatives but we have future plans for implementation	3. No, we don't have policies or initiatives and don't have any plans for implementation
(1)	□ ( )	□	□
(2)	□ ( )	□	□
(3)	□ ( )	□	□
:	□ ( )	□	□

7-2 In general, policies and programmes are planned and implemented with expectation to produce good effects.
In that sense, what is your current assessment regarding the result of the policy? Do you consider the policies have achieved expected objectives effectively?

Policy*	[Select one for each policy]		
	1. It does not seem effective as expected	2. It seems effective as expected	3. It seems more effective than expected
(1)	□	□	
(2)	□	□	
(3)	□	□	
:	□	□	

**On the web-based questionnaire, respondents will only answer to the policies that they are aware of (From question 3-1)*

7-3 What kind of effects/outcomes have you recognised in the content industry as a result of each policy? Please select the top 3 policies which you consider had the most effectiveness.

Policy*		[Select all that apply for each policy]
(1)	□	Increase in revenue (domestic markets and/or foreign markets)
	□	Increase in number of customers/users
	□	Increase in business opportunity (domestic markets and/or foreign markets)
	□	Increase in networking (e.g. relationship with business partners, clients)
	□	Increase in integrity and stability of business operation

	□	Increase in investment, financial sponsorship
	□	Decrease in cost of operation
	□	Improvement in quality of product
	□	Improvement in distribution of product (e.g. variety of distribution models, increase in quantity)
	□	Improvement in fair competition
	□	Improvement in supply chain (e.g. variety of purchasing products, speed and quality)
	□	Increase in capability of business (human resource, utilising new technologies)
	□	Others/unexpected effects ( )

7-4 What do you consider the <u>most important element (key success factor)</u> for improving the effectiveness of each policy? Please select the top 3 policies which you consider had the most effectiveness.

Policy*		[Select all that apply for each policy]
(1)	□	Subject/entity (Who)
	□	Target entity (companies, organisations) and fields (Whom/Where)
	□	Timing of implementation
	□	Participation of key players (companies, organisations) and/or key players
	□	Budget size
	□	Others ( )

7-5 How do you consider the challenges (difficulties, constraints) in implementing each policy? Please comment on [Others] if you recognise any side-effects of each policy.

Policy*		[Select all that apply for each policy]
(1)	□	Subject/entity (Who)
	□	Target entity (companies, organisations) and fields (Whom/Where)
	□	Target objective (What)
	□	Timing of implementation
	□	Participation of key players (companies, organisations) and/or key players
	□	Budget size
	□	Others ( )

**On the web-based questionnaire, respondents will only answer to the policies that they are aware of and consider had effect (From question 3-2)*

7-6 In general, how successful is the policy in promoting content industry development?

Not Successful	Successful	Very Successful
□	□	□

7-7 How necessary (important) is each policy for the content industry to develop in your country? Also, please select and prioritise the top 5 policies you think is most necessary/important.

Policy	[Select one for each policy]				[Select 1-5]
	1. Not Necessary / Important	2. Necessary / Important	3. Very Necessary / Important		
(1)	□	□	□		□
(2)	□	□	□		□
(3)	□	□	□		□
:	□	□	□		□

7-8 What are the reasons and what outcome do you expect from these policies? (Please refer to choices in 3-3)
[Please comment]

7-9 What kind of policies and ideas do you think should be addressed in terms of regional (Asia) content industry development? Please select the top 3 you consider the most important at present and also in the future (after 3 years).

	At present	In the future (3 years)
Incentive schemes (e.g. tax rebates)	□	□
Mutual funding and subsidy schemes	□	□
Collaboration in anti-piracy measures	□	□
Collaboration in developing human resources (labour force, education)	□	□
Collaboration in implementing new technologies	□	□
Collaboration in holding effective international trade events and expos	□	□
Co-production agreements, treaties	□	□
Relax in current trade restrictions	□	□
Relax in current domestic regulation (e.g. Quotas)	□	□
Common content platform (e.g. Pan-Asian TV Channel that broadcasts content from various countries)	□	□
Others ( )	□	□

Policy Areas		Policy Activities
Industry and market development	1	Set industrial visions/master plans and develop statistics in order to establish benchmarks and tools
	2	Create industrial clusters, promote market creation that boosts content demand (including practical use of government and public produced content), foster new business models (e.g. sharing best practices)
Organisational scheme, Business relationship	3	Establish new organisations (e.g. industrial associations, consortia) to aggregate industrial interests and/or functions (e.g. funding, marketing, business support)
	4	Support for building business relationship (e.g. Business matchmaking, promoting partnerships)
International relationship	5	International agreements (e.g. promoting co-production schemes, trade treaties)
	6	Promote brands and campaigns, host or support for participation in international trade events and meetings
Human Resources	7	Standardise business skills, establish qualification/certification framework for related skills and knowledge
	8	Foster educational systems (e.g. academic degree, internship, training)
Finance	9	Introduce incentive schemes (e.g. tax incentives) to encourage investment
	10	Establish governmental financing schemes (e.g. subsidy, funds), promote private financing
Technology	11	Standardise technology and protect interoperability to increase adoption and usage of business entities
	12	Foster R&D and technology innovation, develop communication network and media to enhance distribution and consumption of content products
Legal framework	13	Introduce and review regulatory framework for market entry, content quotas
	14	Introduce and review intellectual property rights protection/management and anti-piracy schemes
	15	Introduce and review content rating framework (regulations or guidelines to introduce self-regulation by the industry)