

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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