

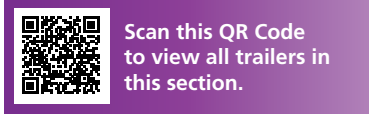
CHAIRMAN'S MESSAGE

It wasn't too long ago that I started off my mornings with the scent of coffee and freshly-minted newspapers. Fast forward to today, the ink stains on my fingers from my daily news reading habits have been replaced by fingerprint smudges on my iPad's glossy screen.

This change in media consumption habits took only a few years, and has taken the world by storm. This rapid shift in consumer behaviour is primarily driven by the increasing digitisation of media content, pervasive high-speed broadband connectivity and the proliferation of Internet-enabled mobile devices. Media content which used to reside on disparate platforms has now converged on the Internet.



Mr. Niam Chiang Meng
Chairman
Media Development Authority
Singapore



Media convergence and digital distribution are posing new challenges for regulators while creating new opportunities for the media industry.

Our regulations, which were drawn up in the age of what we now call "traditional" media platforms, will need to evolve to keep pace with the changing landscape. At the same time, media players should ride the digital wave and embrace the possibilities it can create. Looking back at the past year, I'm heartened to say we made good progress on both fronts.

In 2011, the nominal value-added of the media sector rose to S\$7.4 billion, a strong increase of 11.1 per cent from 2010.

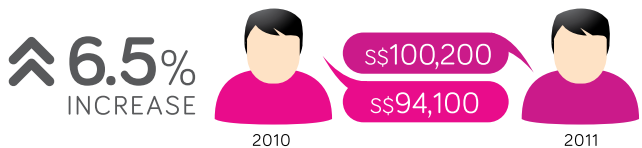
2011 EMPLOYMENT IN THE MEDIA SECTOR



2011 NOMINAL VALUE-ADDED



2011 NOMINAL VALUE-ADDED PER WORKER



Employment in the media sector grew 4.4 per cent to reach 74,100, while nominal value-added per worker increased by 6.5 per cent to reach S\$100,200¹.

Our industry development efforts have embraced the changes and our funding framework has been refined to encourage content providers to create and distribute content through both traditional and emerging platforms.



Beach House Pictures shared videos and images of *Hidden Cities Extreme* with viewers on social media platforms.



96°C Café was first shown on XinMSN before continuing its run on Free-to-air TV.

In the year of review, MDA supported 965 projects with S\$16.28 million in grants across the various media sectors. Some of the projects funded made use of new media platforms such as Facebook to engage and interact with viewers. For instance, Beach House Pictures' *Hidden Cities Extreme* went beyond the traditional television (TV) platform to engage viewers on social media platforms by sharing videos, images and upcoming episodes. MediaCorp's *96°C Café* was first shown online on the XinMSN portal before continuing its run as a 20-episode series on free-to-air (FTA) TV.

¹Source: Department of Statistics and Economic Development Board

While the landscape is changing, the lynchpin of the media sector continues to be the talent that makes our stories and content possible. This remains an important component of MDA's industry development approach.

In this respect, MDA continues to provide grants to media talent to improve their skills and productivity. In July 2012, MDA enhanced the Talent Assistance Scheme with the introduction of two new components – a Training Allowance and an Enhanced Apprenticeship. The former provides training allowances for freelancers while the latter supports experienced media practitioners with opportunities for work attachments. These new initiatives were made possible with the support from the National Productivity and Continuing Education Council.

2012 was also a great year for local film talent. Homegrown director Jack Neo's *Ah Boys to Men* set the record as the top-grossing local movie of all time, earning S\$6.2 million following its 13-week run. The sequel, *Ah Boys to Men 2* which hit local screens in February 2013, did even better and garnered almost S\$8 million in box office takings as at March 2013. The two films which were supported by MDA's Production Assistance grant scheme were also sold to Malaysia and Taiwan.



Ah Boys to Men 1 & 2 earned a total of S\$14.2 million, setting a record at the local box office.

Local content and Singapore stories continue to be told through our Public Service Broadcast (PSB) programmes. To keep pace with shifting viewer habits, the Government announced a five-year budget of S\$630 million for PSB in July 2012. The funding boost is also aimed at enhancing the quality of programmes on FTA-TV and expanding the support of PSB to non-FTA local platforms such as Internet TV and pay-TV.

On 8 March 2013, Dr Yaacob Ibrahim, Minister for Communications and Information announced in Parliament that the Government will invest another S\$182 million over the next four years to support more locally-produced documentaries and current affairs programmes.

The commitment to enhance the quality of Singapore stories has resulted in the provision of more than 2,000 hours of original local PSB programmes in 2012. These programmes attracted 4.54 million viewers on FTA-TV, up 5 per cent from last year². More audiences are also tuning in to PSB programmes on the Internet. These programmes attracted some 10 million online views, doubling last year's figure³.

TV broadcasting also reached a new milestone in 2012 with Singapore announcing plans to move towards digital broadcasting using the Digital Video Broadcasting – Second Generation Terrestrial (DVB-T2) standard. In preparation for the transition to digital TV, MDA finalised and published the DVB-T2 receiver specifications and worked with manufacturers and suppliers to bring in DVB-T2 compatible equipment so that consumers can switch over early when MediaCorp begins broadcasting its channels digitally at the end of 2013.

To ensure a smooth switchover, there will be a simulcast period of at least two years where both digital and analogue FTA-TV signals will be broadcast to ensure all households have time to get accustomed to receiving their FTA-TV signals digitally.

On the regulatory front, we took a major step towards refreshing our media regulations to keep pace with changing technology and consumer behaviour. The Media Convergence Review Panel, chaired by Mr Koh Boon Hwee, Chairman, Board of Trustees, Nanyang Technological

University, and comprising 11 distinguished individuals, submitted their report to the Government on tackling the regulatory challenges arising from media convergence. The objectives of the review are to support industry growth, empower and protect consumers, and foster a cohesive and inclusive society. MDA is now exploring how best to implement the recommendations.

To help media players stay competitive, MDA also paved the way for new services by allowing Restricted 21 (R21) content on video-on-demand (VOD) platforms. To prevent unauthorised and underage access to such content, R21 VOD offerings are locked by default and can only be accessed with the keying in of a unique R21 PIN by subscribers interested in the service. To facilitate greater co-regulation, we also introduced a co-classification initiative which allows the video industry to self-classify content up to the PG13 rating.

MDA also continued to improve on its processes, and is pleased to have fully met the service standards set for Satellite Broadcast, Internet Service Provider, Film Exhibition and Printing Press license applications. MDA also stepped up its engagement efforts, for example by conducting more frequent dialogues with media players. Such efforts saw MDA improving its pro-enterprise ranking from 20th position in 2011 to 7th in 2012.

In terms of online engagement, MDA continues to be active in the social media sphere through platforms such as Facebook, Twitter and YouTube, sharing quality local content and engaging with the public. MDA's staff also gave back to society. Our volunteer group, the Care Connexion, participated in more than 500 hours of community service activities in 2012.

The year in review has been a fruitful one with local content gaining traction in Singapore and overseas, and our regulatory frameworks being reviewed to stay relevant to industry and the public.

I would like to take this opportunity to thank MDA's board members, the Media Convergence Review Panel, our various advisory committees, industry partners and our dedicated staff for their unwavering support to help create a vibrant media sector that will continue to better the lives of Singaporeans.



Free-to-air TV goes fully digital by end of 2013

²Source: Kantar Media ³Source: Omniture

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