

## Country paper : Malaysia

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**Paper No. 13**

**DEUTSCHE WELLE - AMIC WORKSHOP ON  
"MANAGEMENT OF CHANGE FOR BROADCASTERS"**

**River View Hotel - Singapore**

**April 27 - May 2, 1998**

**Presented by**

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**DEPUTY DIRECTOR GENERAL**

**RADIO TELEVISION MALAYSIA**

Mr. Chairman,

Honorable Delegates,

Ladies and Gentleman.

## INTRODUCTION

1. Let me first of all thank the organizers of this workshop for giving me this opportunity to speak to you all on the subject of 'Management of Change for Broadcasters'.

## CURRENT BROADCASTINGS SITUATION

2. When Radio Television Malaysia (RTM) established its television in 1962, its goals were mainly to inform, to educate and to entertain. The government recognised and accepted from the beginning that the public had a right to information, especially information that will lead to personal and national development. To increase the public's access to such information, other radio, television and cable channels have been allowed to operate. The launching of TV 3 in June 1984 heralded the entry of the private sector into the industry. Other services like Metrovision, Mega TV were added on. Early this month another free to air TV called NTV7 was launched. On its 52nd anniversary recently,

RTM launched a new Radio Channel called RIMA - an ethnic and traditional Malay music channel. This brought to a total of 31 radio channels own by RTM and more than 10 channels belong to the commercial stations. The launch of Television remain essentially a terrestrial operation meant for domestic audience. The launch of MEASAT has altered the scenario completely with local TV going regional and global. By the year of 2000, Malaysia will have access to about 40 television and 50 radio channels. Malaysians will therefore be experiencing on entertainment and information boom. This explosion on the electronic media scenes will have its own consequences and influences.

3. RTM will remain the catalyst for national values and will promote the political stability and economic growth of the nation. It will remain the catalyst for the cultural enrichment of the nation and will strive to promote the values of a caring society and a balanced individual. Local production will continue to be encouraged through the provision of preferential airtime, profitable rates and even training. The policy of the farming out local productions as far as possible will continue. RTM will continue to encourage talents in every field. Whether in drama, music or training. The current government has brought visions and ideas that have influenced broadcasting viz, that the government plays a vital roles in the economic, political and social life of the nation. The government has the right and need to inform the people what it is doing for them. The government therefore needs

a media organisation through which it can spread its messages and information to own people, with Parliament and the people themselves acting as safeguards. And thus we have the situation where RTM is a department of the government.

#### **FAIR COMPETITION FOR GROWTH AND EXPANSION**

4. The issue of fair competition for growth and expansion is an issue that government's and owner's of public broadcasting, like RTM, should address. It is not difficult for a private broadcaster to acquire the latest technology, highly rated serials and films, or the necessary training and manpower should these be found to be necessary and profitable. It is not easy for a public broadcaster to make a similar case and get the necessary allocation to upgrade himself. The public broadcaster has however the same need and necessity to upgrade himself and provide a quality service. It should therefore become a matter of policy and philosophy for government's and the owner's of public broadcaster organisation to commit themselves to providing the necessary approvals and allocations so that the public broadcaster can provide the same level of service as that of the commercial operators. Any perception that the public broadcaster is indeed providing a second rate outdated services will only mean a rapid loss of audience, and this will bring into question the very position and need of the public broadcaster. Unfortunately, action on the part of the government is slow and this makes the task of competing that much difficult. Thus for competition to be fair government must be responsive and generous.

5. Broadcasters today accept and plan for the rapid changes that are affecting us, especially in the field of technology. In the case of Malaysia, apart from RTM's two TV terrestrial channels, there are three private television channels and six cable channels. Competition is the order of the day in KL, but what has really lent urgency is ASTRO - Malaysia's first satellite operator with its 21 additional channels. Having to compete with additional satellite channels may sound difficult enough, RTM also has to face the fact that ASTRO's headquarters house the world's largest digital production and transmission facilities. With the economic downturn, there is no way, RTM will be able to match ASTRO technically. Another problem that RTM must face is the thinking especially bureaucrats that the station is already providing an excellent analogue service that can be seen and heard from South Thailand to parts of Papua New Guinea. So why spend more on getting CD quality sound and LD quality pictures ? One way of overcoming this is to compel ASTRO to carry RTM 1 and RTM 2 plus three radio stations as part of its license requirement. But the day of reckoning will come as every advantage will be used and advertised by RTM's competitors to take away or market share, and we hope that we will be able to act early rather than react to late. Policy and financial approvals will have to be given early enough so as to retain our market share.

## TELEVISION IN THE DIGITAL ERA

6. Changes in broadcasting have seldom been motivated by the demands of the industry itself, but more often by the general development of technology. Digital technology has a great and far reaching impact because it affects the forms and function of television. With the set - top boxes, television will never be the same again. Digital technology is the epicenter to the industries of broadcasting, computer and telephony. The three combined and overlapped creating a convergence that makes it possible for existing services to be delivered and packaged in new ways or augmented with new features or entirely new services to be developed. To the consumer digitization and convergence are synonymous - they are expected to improve contents, extend access, create specialised services and encourage competition in which the net results are improved and multiplicity of media services as well as higher fees to pay.
  
7. Today terrestrial television still dominates. However, the flexibility of cable and satellite encourages their penetration world wide at the expense of terrestrial networks. Generally in countries where cable penetration is high, satellite penetrations tend to be low and vice-



versa. Digital Television terrestrial networks require very high investment and therefore only feasible in countries with high population density where the consumers are able to pay. By the end of 1997 less than 10 million households subscribe to digital TV world wide. However, competition between cable and satellite is favouring rapid switch from analogue to digital TV.

8. There are now 50 million users of the Internet world wide, and this figure is increasing by 1 million every month. The convergence of the multimedia brought on by the Internet may be in its infancy, but is now a fact of life. Because of expected advances in the quality of its audio and video the Net could dethrone TV in the next 10 years as a medium of entertainment and commerce. Because the Net has proven itself to be a useful source of information, countries like Malaysian have declared that the Net will be free from censorship.

### **Conclusion**

9. What is RTM's future ? What will be its direction, at least towards the year 2000 ? RTM today is surrounded by the newly emerging forces of commercial terrestrial, cable and satellite television. The question is whether RTM will be consumed by the fires of

competition or will it be saved by the government through transforming RTM into a corporate entity. The situation as it stands now is that we are working on two options. Option one is where we continue to operate with the current structure with its financial and administrative constraints, dependent on the government; thereby becoming the last of the broadcasting Mohican among the Asian Commonwealth broadcasters. At the same time we are hoping for option two, that is corporate status and operation as a wholly owned government company, thereby putting RTM on a level playing field with the newly emerging force of commercial broadcasters. If this is realised, effective control will remain in the hands of the government. RTM, as a company will be provided with the financial and administrative flexibility to provide a better service to the nation, as well as compete on fair terms with other broadcasters.

And with that, once again I wish to thank you for giving me this opportunity to address you. On behalf of RTM.

Thank you.