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The Changing Television Scene: Singapore Perspective

By

Lim Eng Hai
Mr Chairman, Distinguished Guests, Ladies and Gentlemen

I am very honoured to have been invited to participate in the consultation on "Television Development in the Asia-Pacific Region"

The Changing Broadcasting Landscape

In the last couple of years, we have seen spectacular growth in the Asian broadcasting industry and major changes in the traditional broadcasting structure in the region. The rapid changes to the Asian broadcasting landscape have been brought about, mainly, by the remarkable economic growth in Asia and the global trend to de-regulation of broadcasting and telecommunications services. We see a thirst for more information, for more entertainment and a wider consumer choice in programming. Fortunately, new technologies are already well in place to make it possible to deliver these broadcasting choices to the viewers.

The advancement of satellite technology provides the impetus. In the 1990s, the launching of Asiasat and the adoption of an open sky policy in Indonesia on usage of Palapa satellites
by foreign broadcasters marked the beginning of a robust multi-channel broadcast landscape in the Asia-Pacific region.

4. The increasing affluence and the diversity of audience needs give new operators added incentives to rush in for satellite TV, pay TV and cable TV, all hoping for a share of the perceived lucrative Asian broadcasting market. Just look at the rush to get new satellites into space. At least a dozen new satellites have been scheduled for launch in the Asia-Pacific region from late 1994 to mid-1995. By then, there will be more than 500 transponders available to satellite users for the region.

5. These developments bring about an abundance of choice and a much more competitive environment. Traditional broadcasters will now have to compete for viewership and the advertising dollar not only with satellite and cable TV operators but also other multi-media and the video-on-demand providers. The result will be a fragmentation of audience and advertisers and may be lower profit margins for both new and existing TV operators.

6. It was against such a regional backdrop that the Singapore Broadcasting Corporation, SBC, had to address itself in the early 1990s. The Singapore national broadcaster felt the vibrancy of the industry and the opportunities and of course the attendant threats offered by the new technologies and a deregulated business environment. Opportunities are there to exploit new businesses and markets in the region for its
programmes and services. Threats are in the form of an influx of competition—internally from cable TV, video-on-demand and the world of multi-media, and externally the broadcasts from our neighbours and the regional satellite TV. Further, the home audience are becoming more sophisticated, more discriminating and very demanding. In short, the then SBC had to prepare itself for a very different internal and external broadcasting environment. Changes to the national broadcaster had to be initiated—changes to the broadcasting structure, to the way we work, to the mindset and so on. SBC selected to enter the new era of broadcasting by privatising itself to meet new challenges ahead.

The New Era of Broadcasting in Singapore

Two months ago, on 1 October 1994, the Singapore Broadcasting Corporation was corporatised, the first major step to being privatised. SBC has now gone into history. In its place, on the one side is a new regulatory body, the Singapore Broadcasting Authority (SBA) and on the other, a Holding Company, the Singapore International Media Pte Ltd (SIM) overseeing 4 main operating subsidiaries. The 4 subsidiaries are Television Corporation of Singapore (TCS), Television Twelve Pte Ltd (TV 12), Radio Corporation of Singapore (RCS) and SIM Communications Pte Ltd (SIMCOM). SIMCOM is the service provider for all transmission and delivery services including satellite uplink facilities.

The regulator, the Singapore Broadcasting Authority, will licence the broadcasters. It will also regulate and promote
the broadcasting industry in Singapore. Since broadcasting plays a crucial role in informing, educating and entertaining the public, obligations will continue to be placed upon the broadcasters to serve the public interest. This will be best done through the provision of broadcasting services that are balanced and consistent with the aspirations of Singapore.

9 The holding company, the Singapore International Media (SIM) will provide strategic oversight of the group's activities. It is tasked to make Singapore broadcasting competitive and relevant in Singapore and in the region. The Television Corporation of Singapore (TCS) is now the dominant national TV company in Singapore which provides mass entertainment and information in English, Mandarin and Tamil over its two TV channels, channel 5 and channel 8. TCS maintains a market share of over 80 per cent of the home audience. Television 12 is the public service broadcaster in Singapore which provides public service and Malay programmes. TV 12 now operates Channel 12 and has plans to launch another TV channel to provide more programming to its niche audience. The Radio Corporation of Singapore (RCS) operates 10 domestic and 3 international radio stations to cater to a multi-racial and multi-cultural audience.

10 Both the two TV companies would remain the national broadcasters providing free-to-air TV channels, as distinct from the subscription TV channels offered by the Singapore Cablevision, Singapore's only pay TV. The holding company will want the national broadcasters to be the "anchor" TV channels
that are not swamped by foreign broadcasters. Looking at the scenarios ahead, the competition for the privatised national broadcasters will be unrelenting, from within as well as outside Singapore.

11 From within Singapore, Television Corporation of Singapore (TCS) and TV Twelve will now meet head-on competition from the Singapore Cablevision (SCV) which will be providing at a modest price 20 to 30 cable channels. SCV is a consortium led by Singapore International Media, US-based Continental Cablevision, Singapore Technologies Ventures and Singapore Press Holdings. At present, SCV provides three channels of programming on scrambled UHF signals to some 26,000 households islandwide. The service comprises: a news channel and a movies channel in English and a Mandarin channel featuring dramas, variety programmes and movies. The subscribers are charged from $30 (Singapore dollars) per month for one channel to $50 for 3 channels.

12 The SCV Consortium will be investing some $500 million in an islandwide cable TV network. TV signals will be sent on two rings of optic fibre cables running round the island providing signals up to the kerb. From there, the homes will be connected via coaxial cables. First phase of the cable network will come on stream by the middle of next year. This will be to a public housing residential town where some 20,000 households will be connected. They will be able to subscribe to more than 20 TV channels. The menu for the cable TV channels will include...
news, music, sports, documentaries, movies, entertainment and educational programmes. Details on pricing have not been disclosed but the prices are expected to be moderate. SCV plans to link up the whole island to the Cable TV network by the year 2000. And by then, it hopes to increase the number of channels to about 50, enough to satisfy the widest range of audience interest.

13 Besides Singapore Cablevision, Singapore Telecom is also going into a video-on-demand service. It aims to start also by June next year a trial service to some 150 households which will be increased to 500, a year later. The video-on-demand service has the competitive advantage in being able to provide the customer what he wants when he wants it. About 100 hours of programming could be made available to the subscriber at any one time.

14 The abundance of choice will benefit Singapore viewers in terms of both the range and the diversity of programmes. However, with so much choice the national broadcasters will find the going very tough if they want to remain relevant in Singapore. Apart from 3 TV channels from TCS and TV 12, Singaporeans can now receive another half a dozen free-to-air TV channels from Malaysia and Indonesia. And soon, some of them can subscribe to a dozen of foreign programmes down-linked from satellites and pumped through the Singapore Cablevision's network. A fortunate few will also be able to enjoy the Singapore Telecom's video-on-demand service which offers a convenience of
viewing which the national broadcasters cannot match. With so much programming available to the Singaporeans, how then will TC 5 and TV 12 respond to the challenges ahead.

The Likely Response from National Broadcasters

15 To be able to compete in an increasingly competitive broadcasting environment, TCS and TV 12, have been structurally strengthened to provide better management focus and operational flexibility to manoeuvre. With privatisation, they will now become more responsive to viewers, more cost-conscious and efficient. More importantly, they will acquire new skills, market intelligence and develop a sharper commercial sense. The managements will become more entrepreneurial. This will help them broaden their businesses and widen their sources of revenue. They will also be able to give more attention to collaboration and joint ventures with overseas broadcast operators and service providers. These will help them acquire new experience and knowledge to improve their own operations and expand the market through overseas co-productions. In short, with the new management freedom and a larger scope of business, they would have no reasons not to move with the times.

16 Local production would be the key to the national broadcaster's staying competitive in the seas of foreign programmes. The main competition from overseas will be programmes in Chinese and English. That was why the Mandarin and English channels were grouped into the dominant national broadcaster, TCS, so as to strengthen its position and ability to compete in
Singapore and in the region. Despite the range and diversity of imported programmes, they are unable to make significant dents on local viewership. No doubt, new imported programmes with fresh storylines and interesting faces attract attention initially because of novelty. But the novelty appeal will not last long. Once the novelty value wears off, the audience will return to what they are most familiar and comfortable with.

17 This has been the case with the Singaporean viewers. That is why Singapore local productions have always occupied the top 10 positions in the ratings for programmes, both local and imported. The preference for good local programming is to be expected because home-grown productions reflect the society. Viewers can easily identify themselves with local stories and follow home-grown personalities in their trials and tribulations or share their joys and happiness. Hence, home-grown productions with a distinctly local flavour and perspective will be a winning formula. TCS will increase its local productions in both Mandarin and English not only in the area of entertainment but also in news and current affairs. It will provide better coverage of news and deeper analyses of regional events from a Singaporean perspective. This is also the case with TV 12, the other main TV company. Its local Malay programmes have held out well against foreign productions mainly because audience can identify with the plots and the topics.

18 But local programmes are very expensive to produce. It is therefore crucial for the national TV company to be
efficient and cost-effective in management of manpower and resources. Otherwise, it will not be able to generate enough revenue to invest in talent and technology to provide more and better local programmes. Well, one major premise of privatisation is that the market-place discipline will force the national TV company to improve its operational efficiency and sharpen its commercial instincts. The company will also have to take a longer-term view to map out its priority and strategy of growth.

One of the longer-term commercial considerations would be to produce programmes for the region. This is because Singapore's domestic market is not big enough to sustain major local productions. So it makes good commercial sense to produce programmes with an Asian perspective for a larger audience. The larger market will also help defray the high cost of such productions. The national broadcasters could best do this by teaming up with other like-minded broadcasters to produce "Asian" programmes that not only serve domestic needs but also appeal to the Asian market. The Asia-Pacific region is rich in culture, heritage and resources and there is a growing awareness that these richness and diversity could be harnessed for creative productions. For this, we need acting and creative talent to help generate concepts and story ideas and translate them into TV dramas and variety shows that will sell in the region and beyond. Some western media companies are setting up offices in Asia with a view to producing a product that has an Asian appeal. Obviously they must have recognised the potential in the Asian product, which, given time and exposure, will have a global appeal.
Towards a Regional Broadcasting Hub

20 The privatisation of SBC will result in a more dynamic and vibrant broadcasting industry. It will also foster a much more open broadcasting environment. Just within 2 months after SBC's privatisation, two companies have been granted a licence to send and receive satellite signals in Singapore. Last month, the ST Teleport, a subsidiary of the Singapore Technologies Ventures won the first licence to operate satellite transmission and reception services for broadcasting. Early this month, ESPN Asia, a subsidiary of America's leading sports cable network ESPN Incorporation, has been given an in-principle approval for a similar licence. Previously, only Singapore Telecom and SIM Communications, a successor company of SBC, were licensed to provide such services in Singapore.

21 The satellite uplink licences are granted by the Telecommunication Authority of Singapore (TAS). TAS has said that it would open the sector to competition to promote technological innovation and competitive pricing among operators. With the advancement in global communications technology, the line between broadcasting and telecommunications is fast disappearing. Telecom operators are now entering aggressively the domain of broadcasting. Similarly, broadcasters would have no choice but to venture into new technology-driven services like mobile data, video-on-demand and multi-media programming.

22 The liberalisation of satellite uplink licence has attracted to Singapore a number of Western companies like Asia...
Business News, ESPN, the Discovery channel and the US-based movie channel HBO. A few have indicated interest either to locate their Asian operations or to set up production centres in Singapore to package programmes for the region. Singapore is now poised to become a regional broadcasting hub.

With these developments, the challenge for Singapore's TCS and TV 12, after privatisation, is to achieve quickly excellence in broadcasting, not only to face unavoidable foreign competition at home but also to become a regional player in a borderless TV environment. These are indeed exciting times for the broadcasters in Singapore.

And on that note, I end my presentation.

Thank you.