<table>
<thead>
<tr>
<th>Title</th>
<th>The privatization of television in Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Author(s)</td>
<td>Hukill, Mark A.</td>
</tr>
<tr>
<td>Date</td>
<td>1994</td>
</tr>
<tr>
<td>URL</td>
<td><a href="http://hdl.handle.net/10220/2999">http://hdl.handle.net/10220/2999</a></td>
</tr>
<tr>
<td>Rights</td>
<td></td>
</tr>
</tbody>
</table>
The Privatization Of Television In Singapore

By

Mark Hukill

Paper No.13
THE PRIVATIZATION OF TELEVISION IN SINGAPORE

Dr. Mark Hukill
Deputy Director
Mass Communication Programme
National University of Singapore
and
Senior Lecturer
School of Communication Studies
Nanyang Technological University

Introduction

Broadcasting in Singapore can be characterised as evolving through two major periods of operation from its inception in the early 1960s. These two periods correspond respectively with the structural arrangement of the strictly government-owned operations of Radio Television Singapore (RTS) in the 60s and 70s, and the Singapore Broadcasting Corporation (SBC) of the 80s and early 90s. As of October 1994, broadcasting in Singapore has entered what may be described as a third phase of structural arrangements and operating characteristics through the creation of Singapore International Media (SIM) as the holding company for government and mixed-ownership broadcast operating companies. These structural changes, which are part of a nominal privatization plan for government-owned broadcasting in Singapore, are in fact an attempt to adjust the staid monopolistic operations to become more competitive not only for audiences in Singapore, but internationally. These changes are in direct response to significant changes worldwide for choice and delivery of programming on an international level as well as in response to pressures locally to provide a greater choice of programming fare for viewers in Singapore.

Television broadcasting in Singapore, as in many other countries, remains a predominantly government-owned and operated affair. However, in Singapore, the former national monopoly television broadcaster, Singapore Broadcasting Corporation (SBC), with, until October 1994, its nine radio stations and three television channels, had evolved into a somewhat autonomous entity providing at least a semblance of viewer and listener choices. As a government monopoly for television broadcasting within Singapore, SBC was facing new competitive challenges from outside its small geographic island borders in the form of both radio and television broadcasts which can be received from neighboring Malaysia and Indonesia as well as internationally via satellite. New commercial broadcast
ventures in each of these countries has altered the pattern of programming especially in
terms of scheduling, formats and variety. Television does not face the same intense level
of competition from outside Singapore as radio, although this is increasing. The state-run
television stations of Malaysia, RTM 1 and RTM 2 as well as the quasi-private station 1TV3,
can be received in Singapore free-to-air. This competition forced SBC in part toward a
strategic rethinking of its programme fare. The possible addition of a privately run
television station on Batam Island, Indonesia, which will also be receivable in Singapore,
will add to the competitive pressure despite the free-to-air monopoly for broadcasting by
the successor companies of SBC now held under SIM.

In addition, technological advances, broadening viewer demands and international
broadcasting especially via satellite, have also forced broadcasters and the government
toward an expansion of available services. This has been undertaken in the form of a three-
channel subscription UHF service and advanced planning for a cable television system to

Changes in broadcasting structures in Singapore have been encapsulated in the
Singapore Broadcasting Authority Act 1994, which has created a separate regulatory
authority for broadcast oversight and the licensing and regulation of broadcast activities
within Singapore. The law also serves as enabling legislation to nominally privatize the
successor companies of SBC, most notably the Television Corporation of Singapore
(TCS), which was established on October 1, 1994 to operate two of the three former SBC
television channels. Through the new legislation, which will require a license for all
broadcast apparatus, Singapore continues to effectively enforce a ban on television receive-
only (TVRO) satellite dishes as a commercial and social protectionist measure. While
technological advances will see to it that such a ban is unenforceable in the future,
Singapore is taking great care in the meantime to protect and strengthen its local
broadcasters through an aggressive expansion programme, a corporate reorganisation, and
the addition of new services. An historical overview is provided first which gives rise to
an analysis of the new structural phase of television broadcasting in Singapore.

Development of Television Broadcasting in Singapore

Television broadcasting in Singapore began with a pilot monochrome service in
February 1963 which led to the beginning of regular transmissions in April 1963. By
November of the same year, a second broadcast channel also began operation.

In August 1963, when Singapore became part of Malaysia, its broadcasting service
was amalgamated with the Malaysian broadcasting service into one entity. But, this merger
was short-lived as Singapore was separated from Malaysia in 1965. Subsequently, television broadcasting became a state-run operation under the Singapore Department of Broadcasting within the Ministry of Culture. The department was more popularly known as Radio Television Singapore, or RTS. With Singapore’s independence in August 1965, RTS, similar to the policies of many newly independent nations, was given the broad mandate to help bring about the nation’s development.

Television broadcasting soon took on new dimensions with the completion of a TV Centre in 1966 which was furnished with modern production equipment. By 1967, an educational service for schoolchildren was added. Transmission time was also extended so that both broadcast channels were operating six hours on weekdays and 11 hours on weekends.

With advancing technology and the Republic’s rapidly expanding economic base, RTS was in a position to continuously tap the latest modern communications technology to enhance the technical quality of the broadcasting service. Singapore installed its first satellite earth station (Intelsat A) on Sentosa Island in 1971. Reception of satellite broadcast signals, re-transmitted through RTS, made its debut in 1974. In the same year, partial colour television transmission, using the 625-PAL colour system, was introduced. Full colour transmission on both broadcast channels began in 1976.

By 1980, Singapore was on its way to an economic expansion which was rapidly transforming the island nation led by government and multi-national industrial and commercial enterprises. The government was investing heavily into its own corporate operations and soon large international scale operations in the form of a container port, airline, banking and finance organisations, telecommunications and many others were growing rapidly. This economic transformation helped provide a catalyst to change the broadcasting authority, RTS, from a government department into a semi-autonomous corporate structure.

**SBC in the 1980s and early 1990s**

In 1980, RTS became the Singapore Broadcasting Corporation, SBC, a statutory board under the purview of the Ministry of Communication and Information. The aim of SBC was to improve the quality of its services through the use of the latest broadcast technology and the upgrading of the content and presentation of its own production. These changes came about through the implementation of the Singapore Broadcasting Act of 1979, modified in 1985, which empowered SBC to, amongst others, exclusively provide television broadcasting and exercise licensing and regulatory functions.
In 1984, a third television broadcast channel was introduced by SBC. In addition to the two channels aired (VHF 5 and 8), the third channel (VHF 12) was specifically set up to help promote the arts and culture by providing entertainment programming in this area.

Selected live satellite feeds for broadcast retransmission have increased with the setting up of two TV Receive Only (TVRO) satellite dishes at the broadcasting compound at Caldecott Hill established in 1988 and 1990. Selected news feeds from a broad spectrum of the world's top television news agencies including CNN, ITN, Visnews, Eurovision News and Trans World News now form a selected part of the television news fare.

As the monopoly broadcaster, SBC had made substantial progress reflected by the increase in its viewership and transmission hours (see Table 1 and 2).

Table 1.

<table>
<thead>
<tr>
<th>Television Viewership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audience Build --</td>
</tr>
<tr>
<td>Average Daily Audience ('000)</td>
</tr>
<tr>
<td>1987/1988</td>
</tr>
<tr>
<td>1988/1989</td>
</tr>
<tr>
<td>1989/1990</td>
</tr>
<tr>
<td>1990/1991</td>
</tr>
<tr>
<td>1991/1992</td>
</tr>
</tbody>
</table>


Table 2.

<table>
<thead>
<tr>
<th>TV Transmission Hours Per Week 1981-1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
</tr>
<tr>
<td>1982</td>
</tr>
<tr>
<td>1983</td>
</tr>
<tr>
<td>1984</td>
</tr>
<tr>
<td>1985</td>
</tr>
<tr>
<td>1986</td>
</tr>
<tr>
<td>1987</td>
</tr>
<tr>
<td>1988</td>
</tr>
<tr>
<td>1989</td>
</tr>
<tr>
<td>1990</td>
</tr>
<tr>
<td>1991/1992</td>
</tr>
<tr>
<td>1992/1993</td>
</tr>
</tbody>
</table>

(Channels 12 was introduced in 1984.)

(Sources: Yearbook of Statistics 1991; Department of Statistics; Ministry of Trade and Industry; SBC Annual Report 1992/93.)

Daily viewership reached a record high of 2 million in 1992/93, as compared with 1.6 million in 1987/88. This is against a total population base of 2.8 million as of 1992. Weekly transmission time jumped from an average of 115 hours in 1981, a year after
SBC's establishment, to almost 200 hours in 1992. SBC had also succeeded in carving out an identity of its own by producing more local programmes especially drama serials in Mandarin as well as news, information and entertainment programmes in English. Locally produced programmes have taken up an increasing share of the transmission time, from 29 per cent in 1981/82 to nearly 36 per cent in 1992/93. Total air-time for both entertainment and information programmes has increased steadily in the late 1980s and early 1990s (see Tables 3 and 4). Today, 99% of all Singaporean households have at least one television.

<table>
<thead>
<tr>
<th>Table 3.</th>
<th>Television Entertainment Programmes (Hours Per Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987/1988</td>
<td>6,417</td>
</tr>
<tr>
<td>1988/1989</td>
<td>6,630</td>
</tr>
<tr>
<td>1989/1990</td>
<td>6,734</td>
</tr>
<tr>
<td>1990/1991</td>
<td>7,607</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Table 4.</th>
<th>Television Information Programmes (Hours Per Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987/1988</td>
<td>1,685</td>
</tr>
<tr>
<td>1988/1989</td>
<td>1,336</td>
</tr>
<tr>
<td>1989/1990</td>
<td>1,650</td>
</tr>
<tr>
<td>1990/1991</td>
<td>2,075</td>
</tr>
</tbody>
</table>


SBC was, until October 1994, a statutory board that ran its operations somewhat independently of day-to-day government affairs, similar in structure to the BBC of the United Kingdom. However, unlike the BBC which is largely autonomous of the government especially in areas of programme content, SBC's policies were determined directly by the Ministry of Information and the Arts, set up in 1990. The government's plans to nominally privatize SBC came in the late 1980s as a part of an overall economic restructuring plan of government-held enterprises. Singapore Telecom was the first to be privatized in late 1993 with 11% of that company's equity sold in a public stock listing. This pattern will likely be repeated when a percentage of the successor companies to SBC are also put to a public listing in 1995 or 1996. The government will retain a controlling interest however.
Challenges to the SBC Monopoly

Although television broadcasting origination in Singapore is a monopoly, SBC was not without its share of competitors. SBC faced increasing competition from three neighbouring channels, Radio Television Malaysia (RTM 1 and 2) and the quasi-private Malaysian station, TV3. In addition, one new free-to-air station (TV4) and a three-channel subscription news service are being planned in Malaysia. Singaporeans can receive all three current Malaysian channels free-to-air. SBC, in turn, has an appreciably large following in the southern most state of Johor in Malaysia, whose residents can receive all three Singapore channels. The signals carry as far up the Malaysian peninsula as Melacca.

Videotapes, although a popular medium with Singaporeans, are only a distant competitor to the monopoly broadcaster. Currently, videotapes account for only 2% of the prime-time viewing share. In 1990, approximately 78% of Singaporean households had VCRs. Tapes are available for rent and sale in the shops in Singapore as well as from Johor, Malaysia, which lies just a short drive across a causeway. While all videotapes imported into Singapore are to be sanctioned by the Board of Film Censors, it would be naive to assume that tapes are not brought in uncensored, although, this is otherwise strictly illegal.

But, it is primarily the quasi-private, commercially-run TV3 of Malaysia that has stirred up the most direct competition for television in Singapore. TV3 is owned by UMNO (United Malay National Organisation), the ruling political party of Malaysia but is run as a commercial entity. The battle of the airwaves was clearly reflected by TV3’s introduction of Cantonese serials, which seriously affected both RTM’s and SBC’s viewers’. This compelled SBC to make some innovative changes in its programming. SBC introduced a “One Plus One” Mandarin drama programme, which started off as a combination of an SBC-produced drama and a Hong Kong drama, in the daily prime time slot, five days a week. Overall, SBC had gradually increased its local drama programmes from two hours fortnightly in 1982 to 10 hours a week. Its efforts have paid off well, and enabled SBC to maintain its competitive edge above its neighbouring rivals. A majority of audience share has since returned to the Singapore stations.

According to SBC at the time, its two major channels, SBC 5, broadcasting primarily in English, and SBC 8 with predominantly Mandarin programmes, were ahead of its Malaysian competitors, with 50 percent and 71 percent of Singapore’s population tuning in during some part of the broadcast day to each channel. SBC 12 had a twelve percent share. RTM 1 and RTM 2 had seven per cent and three per cent respectively, while TV3
had been reduced to only one per cent. TV3 disputes these figures, but there are no other independent audience share data available. It would, however, not be inaccurate to note the popularity of TV3 in Singapore, especially for foreign produced drama and comedy series not available on the Singapore channels.

A growing competitive threat to television in Singapore has come from direct satellite broadcasts which has whetted the appetite of Singapore's viewers for more instantaneous news and information as well as a greater variety of entertainment programming. While direct satellite broadcast to homes will not be allowed for Singaporeans in the near future, SBC first began to pander to audience's information needs with two hours of live CNN fare daily, one hour in the morning and the other hour in the evening, in 1991. The addition of CNN to the programming schedule was a direct result of the Gulf War in early 1991.

However, the ban on TVRO dishes for Singapore's citizens in general remains firmly intact as no licenses can be procured for this equipment. The free-to-air retransmission of CNN was soon ended, however, when Singapore's subscription television service began in April 1992.

Besides the challenge arising from direct satellite broadcast, increasing affluence and higher-educated, better-traveled Singaporeans are driving the government to look at the possibility of relaxing the monopolistic control of broadcasting as well as allowing the broadcasters themselves to exercise greater direct control of programming content. While no television broadcaster will be allowed to compete with the established free-to-air stations from within Singapore, several private operations are now using Singapore as a programme and satellite up-link hub to the region. These include Home Box Office (HBO) and Asian Business News (ABN). ESPN and MTV are also to establish facilities in Singapore. This situation allows for Singapore to reach its stated goal of becoming a broadcasting hub for the region, without such programming and distribution falling outside of local broadcaster's control for the local market.

Corporatization and Privatization

In 1993, the SBC Group retained a nearly S$60 million (US$36m) surplus after taxes and contributions to the consolidated fund. As of March 31, 1993, SBC had a total retained surplus of nearly S$360 million (US$216m), adding it to Singapore's impressive list of highly successful government-owned enterprises. With such financial success, the timing was right to move forward with plans to change government-held broadcasting as a
statutory board, to a private company structure and the devolving of regulatory powers away from the operators to a new authority created for that purpose.

The changing face of Singapore's television broadcasting has been further underscored by the current Minister for Information and the Arts, Brigadier-General (Reserve) George Yeo. He has said in early 1993 that, "SBC faces very challenging times ahead. The broadcast industry is changing in a very dramatic way. If we do not change with the way the industry is changing, we will be caught in a very difficult situation."

As such, the government's objectives have been a strengthening of the hand of its national broadcaster in the wake of dynamic technological changes and new service challenges. This is being accomplished by the reorganisation of SBC to operate as a more efficient market-oriented set of companies.

In 1986, SBC spun off some of its commercial operations into a wholly-owned subsidiary, SBC Enterprises. SBC-E was responsible for all business ventures which included the sale of airtime and SBC-produced programmes. SBC-produced programmes, particularly Chinese drama, are being marketed aggressively abroad. Although SBC started selling its Chinese dramas as early as 1983, marketing was pursued aggressively only in 1988 after SBC Enterprises had been well established. Sales increased from about 500 hours in 1984 to 1,000 hours in 1988 to more than 3,000 hours in 1990. SBC's Chinese dramas are broadcast in more than 30 countries, with leading markets in Malaysia, China, Taiwan, Macau, Thailand and Brunei. Forays are being made into less established markets such as North America, Australia, New Zealand and Africa.

Revenue also comes from the sale of the weekly entertainment magazine, "Radio and TV Times" (Chinese) and "8 Days" (English). These self-promoting glossies, which include programme guides have the highest circulation of a weekly publication in Singapore with 60,000 copies for the English edition and 120,000 for the Chinese edition.

In 1990, Caldecott Productions was set up as an independent arm of SBC to produce commercials and video entertainment programming, both locally and in cooperation with outside ventures. SBC also generated income from the production of video commercials and filmlets for advertisers and advertising clients. Since January 1983, SBC had extended its operations to include production of short documentaries, promotional and instructional programmes for commercial and other organisations. In 1983/1984, SBC captured 55% of the market share of locally-produced video commercials, and increased it to 74% in 1985/1986 where it also stands today. By the early 1990s, SBC has entered joint venture agreements in Hong Kong and Taiwan for the co-production of Chinese drama serials.
Recognising the twin trends of globalisation and segmentation in the international market place, the Ministry for Information and the Arts had pointed out the need for SBC to be privatized in order to compete more effectively in the international arena. The process as expected is being carried out gradually and systematically through 1994 and beyond. In reality, privatization will mean the leverage of this successful enterprise by the government to allow for greater expansion of services. In preparation for the eventual nominal privatization, a new broadcasting structure has been established in 1994.

**Singapore Broadcasting Authority (SBA) and the Successor Companies to SBC**

The parliament of Singapore in August 1994, endorsed Singapore’s latest broadcasting law, the Singapore Broadcasting Authority (SBA) Act. This law replaces previous legislation known as the Broadcasting and Television Act (Chapter 28, 1985 Revised Edition) and the Singapore Broadcasting Corporation Act (Chapter 297, 1985 Revised Edition.) With the new law, Singapore’s evolution to a privatized structural arrangement for broadcasting has been established. This arrangement is notable for three important aspects as outlined by the new law. The first is the separation of the regulatory powers of broadcasting from the broadcast operator to a new authority established for this purpose, the Singapore Broadcasting Authority. The SBA is to promote and regulate the broadcasting industry and take over the regulatory and licensing functions previously exercised by the Ministry of Information and the Arts and SBC. Secondly, the operating entities of broadcasting have been reorganized into new companies under one holding company known as Singapore International Media (SIM). The law allows to transfer appropriate properties, rights and liabilities of SBC to SBC’s successor companies and SBA. This enables the government to give effect to corporatize and privatize SBC. Thirdly, the law also allows the government to offer for sale to the public, shares or debentures of the corporatized SBC successor companies at a later date.

Figure 1 represents Singapore’s new structural arrangement as well as to show the position of other broadcast operation including the new cable system.

The new operating companies, which replaced SBC on October 1, 1994, include the Television Corporation of Singapore (TCS) which is in control of both the English and Mandarin stations, channels 5 and 8 respectively. TCS is unabashedly commercial in its outlook as its first Chief Executive Officer, Lee Cheok Yew has stated that TCS "was going after the mass market... to appeal to most people, most of the time." (TV interview, October 4, 1994)
Broadcast Media Structures of Singapore

(From October 1994)

Government of Singapore

- Temasek Holdings
  - 100% Government-owned
  - SIM
    - Singapore International Media
  - TCS
    - Television Corporation of Singapore
      - Free-to-air: Channel 5 and Channel 8
        (Possible Partial Public Listing in '95)
  - TV12
    - Public Television Service
      - Channel 12 (+1-UHF)
  - SIM COMMUNICATIONS
    - Transmission and Up-link Facilities
  - RCS
    - Radio Corporation of Singapore
      - 10FM + 3AM
  - Other Subsidiaries

SCV - Singapore CableVision

'Hybrid' Government-owned under Temasek Holdings
- SIM (31%), Singapore Technologies Ventures (24%), Singapore Press Holdings (20%), Continental CableVision-U.S. (25%).
- UHF Subscription TV, 3 Channels + (30-Channel Cable System '95-'96)

Other Government-owned
- NTUC - 2 FM Radio
- SAFra - 1 FM Radio
- SITV - Singapore Int'l TV
- RSI - Radio Singapore Int'l

Private and Mixed Ownership
- HBO, ABN (ESPN, MTV)
- Production Houses
- Programme Marketing Companies
  (S'pore Telecom - VOD)
- Rediffusion - cable radio

ATTENTION: The Singapore Copyright Act applies to the use of this document. Nanyang Technological University Library
A separate company, TV12, has been set up for public service broadcasting and operates channel 12 for what will be predominantly Malay and Tamil programming. TV12 will eventually operate a UHF channel as well for documentary, arts and other public service programmes of a largely non-commercial nature.

In addition to the two broadcast television operating companies, RCS, the Radio Corporation of Singapore, with its now ten FM stations, and SIM Communications have been set up. This latter company is charged with operation of all transmission facilities including up-link systems to satellites. It is the only organisation operating these type of facilities apart from Singapore Telecom. The possibility of allowing international broadcasters who use Singapore as a regional hub may be allowed to operate their own up-link facilities in the future.

The four main operating companies of SIM may eventually be sold, in part, through public share offerings or other placements but remain as 100% government-owned at the end of 1994. The most likely candidate to be sold first in a partial equity offering will be the Television Corporation of Singapore (TCS) which operates channels 5 and 8.

Subscription Television

The transformation of television broadcasting in Singapore beyond its three free-to-air channels began with a subscription television service on April 2, 1992. The service is being offered through a separate corporation set up for this purpose called Singapore CableVision (SCV) which is also the company that will eventually operate Singapore's cable television system. The company was originally owned by one of the government's largest holding companies, Temasek Holdings (65%), and SBC (35%).

SCV, as of late 1994, is under a mixed ownership scheme with four partners. They are Continental CableVision of the United States (25%), Singapore Technologies Ventures (24%), Singapore Press Holdings (20%) and, Singapore International Media (31%).

SCV first offered a channel called NewsVision, a 24-hour news service featuring primarily live CNN news on a scrambled UHF channel. Subscription television has only been available in limited areas in Singapore and the corporation was looking toward an eventual 20% market penetration for profitability. SCV originally had plans to establish up to twelve subscription channels to be distributed via MMDS technologies. The over-the-air subscription service is however, likely to be discontinued when the company establishes full cable service.
Cable Television

Singapore now has ambitious plans to build a nationwide 30-channel cable television network. Singapore Telecom and SBC originally combined to conduct a feasibility study for a cable television system.

The merger of technologies which is gradually making the telephone, broadcasting and information systems industries overlap is producing effects in Singapore. Singapore Telecom initially claimed some jurisdiction of a cable television system along with then-SBC. Singapore Telecom already has a fibre-optic trunking system throughout the country which can be adapted for cable television services. It also could eventually provide direct to home fibre-optic cable links. SBC claimed a content jurisdiction for any broadcast or publicly distributed narrowcast television service. This was argued at the time from its interpretation of the Broadcasting Act of 1985 giving it monopoly broadcast rights. However, with the new broadcasting law of 1994 and the devolving of SBC into successor companies, neither the television broadcasting companies nor Singapore Telecom have an equity interest in the cable system. SCV, under its new ownership structure stated in the previous section, is now moving ahead as a separate entity to establish the cable service. It will likely lease line capacity from Singapore Telecom as needed through the latter's fibre-optic network. Singapore Telecom, like many other Telecom operators worldwide, is beginning trials of its own services for video-on-demand (VOD). Telecom could eventually become a video service competitor or even operate one or more of the SCV channels.

However, most Singaporeans will only get to receive this alternative television delivery service and its potentially wider programming choices in 1997 or later as it will take this long to complete the island-wide fibre-optic cable system to all homes and public housing estates and to build out the cable television system. This is despite the fact that Singapore already has the highest optical fibre density in the world - over 16,000 km of fibre-optic cables linking all 26 telephone exchanges. Nonetheless, SCV plans to begin linking homes to a television cable service, initially with approximately 20,000 subscribers, by mid-1995.

While no longer holding an equity position in SCV, the Television Corporation of Singapore and TV12 will be given prominent positions on the cable system.
Conclusion:

While television broadcasting within Singapore remains the domain of predominantly government-owned and controlled systems, new pressures have brought on new structural changes. Television is now evolving from two previous periods which saw broadcasting as a government department in the 1960s and 70s and then as a national broadcast statutory Board in the 1980s and early 90s. Singapore has now moved into its third structural phase with television organised as separate companies under a government-owned holding company and the establishment of a separate regulatory authority. The holding company, Singapore International Media, will be expanding aggressively, taking advantage of huge cash surpluses to develop new programming and production interests. The government's strategy is to continue to strengthen the national broadcasters as changes in technology, increasing audience demands, and competitive forces come to fore.

Developing systems which will continue to provide a vast majority of audience share to government-controlled systems is the objective in the wake of changing technology which may eventually be able to by-pass such systems. Audience demands and competition from broadcasters in neighbouring Malaysia and Indonesia are also forcing the local television broadcasters to increase the variety and quality of programming fare. The eventual move to partially sell, in a public listing, the shares of the new Television Corporation of Singapore, is seen as needed in order for the company to more effectively take advantage of strategic international interests and strengthen operations at home as the dominant live-to-air terrestrial broadcaster.

The expansion of partial government-owned television services including the subscription services and eventually a cable television system are attempts to maintain as much of an exclusive control of broadcasting within Singapore while adapting to the inevitable changes.

A separate private broadcaster competing directly with the government-led services is unlikely in Singapore. Instead, private programme producers, especially foreign, may be able to participate via acquisition of their material for re-transmission on the dominantly government-owned system.

Perhaps one factor which might eventually change the exclusivity of government-controlled television systems in Singapore will be the need to act reciprocally as it expands internationally. Singapore International Media, as its name implies, is looking to expand internationally which means it will eventually face the increasingly important international issues of reciprocity and trade in services. The question remains as to whether pressure may eventually be brought to bear to reciprocate with private systems in Singapore. In the
short run, it may be more likely that partial foreign ownership, alliance and joint venture participation in the government led Singapore television systems will be possible. The government wants to tap foreign technical expertise along with its global market network connections in order to establish Singapore's competitive edge in television broadcasting and as a regional broadcasting hub. All of these efforts are aimed at maintaining, for now, the strengths of its national broadcasters while adapting to the ever changing international environment. Will this "third phase" of television structural arrangements in Singapore serve it well? Looming on the horizon are computer network broadcast systems and technological changes to existing systems which may render useless even enlightened national broadcast protectionist efforts. For better or worse, Singapore is meeting the challenge head-on and has staked its claim.

References


Singapore Broadcasting Corporation, Annual Reports (through 1992/93).


The Group The Corporation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>228,508,000</td>
<td>226,000,000</td>
<td>228,508,000</td>
<td>226,000,000</td>
</tr>
<tr>
<td>Expenditure</td>
<td>228,508,000</td>
<td>226,000,000</td>
<td>228,508,000</td>
<td>226,000,000</td>
</tr>
<tr>
<td>Surplus</td>
<td>228,508,000</td>
<td>226,000,000</td>
<td>228,508,000</td>
<td>226,000,000</td>
</tr>
<tr>
<td>Losses of associated companies</td>
<td>228,508,000</td>
<td>226,000,000</td>
<td>228,508,000</td>
<td>226,000,000</td>
</tr>
</tbody>
</table>

**Broadcasting**

**Capital Investment (Singapore Dollars) and % of Total Spending**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Singapore Dollars)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987/1988</td>
<td>$20.0 million (15.9%)</td>
<td></td>
</tr>
<tr>
<td>1988/1989</td>
<td>$20.6 million (14.5%)</td>
<td></td>
</tr>
<tr>
<td>1989/1990</td>
<td>$48.7 million (25.1%)</td>
<td></td>
</tr>
<tr>
<td>1990/1991</td>
<td>$36.9 million (19.2%)</td>
<td></td>
</tr>
<tr>
<td>1991/1992</td>
<td>$42 million (18.3%)</td>
<td></td>
</tr>
<tr>
<td>1992/1993</td>
<td>$53 million (23%)</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** SBC Annual Reports through 1992/93.

---

**Singapore Broadcasting Authority (SBA) ACT 1994**

The Act transfers regulatory powers of broadcasting from the operators to a new Statutory Board, SBA.

The Act also organises previous SBC operating entities into successor companies under one holding company. (Gives effect to corporatization.)

The Act allows the government to offer for sale to the public, shares or debentures of the corporatized successor companies at a later date. (Gives effect to privatization.)

---

**Group Income 1992/93**

<table>
<thead>
<tr>
<th>Amount (Singapore Dollars)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>32%</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>2%</td>
</tr>
<tr>
<td>Recovery from Government</td>
<td>2%</td>
</tr>
<tr>
<td>Others</td>
<td>2%</td>
</tr>
<tr>
<td>Non-operating Income</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Group Expenditure 1992/93**

<table>
<thead>
<tr>
<th>Amount (Singapore Dollars)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration Expenses</td>
<td>7%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2%</td>
</tr>
<tr>
<td>Maintenance, Repair and Replacement</td>
<td>2%</td>
</tr>
<tr>
<td>Programme Production</td>
<td>12%</td>
</tr>
<tr>
<td>Publications</td>
<td>3%</td>
</tr>
<tr>
<td>Salaries and Staff Wages</td>
<td>12%</td>
</tr>
<tr>
<td>sundries</td>
<td>3%</td>
</tr>
</tbody>
</table>

---

ATTENTION: The Singapore Copyright Act applies to the use of this document. Nanyang Technological University Library