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INAUGURAL SPEECH

By

LEE CHEOK YEW

Paper No. 7
INAUGURAL SPEECH
LEE CHEOK YEW, CEO TCS
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Good morning ladies and gentlemen.

I am very honoured to be given this opportunity to speak to you on this very interesting topic—Thriving in a Diverse Broadcasting field. I must confess that our experiences in Singapore may not be entirely relevant to all of you. I think all of you come from a very diverse origin, different countries, different industries—radio, TV as well as other areas. But I think there are other commonalities that may be of interest.

We have all heard of the rapid change that is happening in our industry. But how is it going to transform our lives? If I were to try to think of an analogy, I think the change from say black and white and mono TV to stereo TV doesn’t probably reflect the change we are talking of. Some people say the change is like the effect of the invention of electricity. Imagine yourselves in those days without electricity and what happened after electricity was discovered and used widely. I think that really indicates the change that we are talking of. But I think one analogy that may help us think about this is really that of the transportation network. I think there was a Mr. Miller from INTEL who said sometime ago that this TV or PC device will be to the 21st century what the automobile was to the 20th century. I think if you think about it deeply, it really represents the magnitude of change that the digital revolution will bring to our lives. I think in a small country like Singapore, it will be fleet in a different way than a bigger country. I think because we are more compact, the changes will probably happen faster and encompass the population very quickly. In bigger countries like the development of road networks, maybe the cities would be first to feel the impact and rural areas will have to catch up. In other words, this diversity is something that is going to happen and simultaneously, we may have to be providing services to meet the needs of all these people. Those in the rural areas without advanced road networks; those in the cities that have access to instantaneous information. I think what we are talking about in the very future is how to meet the needs of the digital haves and haves not. That is very important point.

If we look at some trends of how this diversity will come about in our industry, one of the most important factors is the change that technology will bring to people’s lives, the way we work and play. Just to quote an example, will this digital technology change the way we organize our business, the way we travel everyday to work, the way we build huge complexes to house our staff? Maybe, this new technology will allow us to work in a different way. One forecast is that more people will be working from home for example, and it will be much more flexible. If you take this through the implications, then for our industry, we will be asking ourselves, does prime time mean anything? If you are working from home, maybe prime time is not in the evening when people come back from work; maybe it will be as and when you feel like watching. So these are the questions we have to ask ourselves.

I noticed there are a number of us here who are national broadcasters or public service broadcasters. I think the question to ask in this diverse environment is—will there be a role or organizations like ours if the technology can deliver content anywhere, anytime, to anybody? Is there a role for some of us who Dr. Jaffar says are the conventional broadcasters, the mass broadcasters with all this high-tech, does it mean that there is no role like ours that actually reflects the cultural idea of the country. I would think not. I think the high-tech environment is actually in the danger of creating what I call the how-touch phenomenon, more and more dangerous, and people will feel the need for socializing. I think if everybody is able to access whatever programme they want, whatever news they want, I mean where is the sharing? How can you talk to your friends about issues and so on, if everybody is doing their own thing? So I think there is still a big role for organizations like ours, to give the stability factor and sense of identity to people living in our society. This is specially true when we see the effects of globalisation—societies and countries will have to find a way to balance a citizen’s identity of that country and of the world. So we have to look at all these trends and see how we can adapt to changing needs of the consumer.
The young especially is a group I am most concerned about. You can see the young school-children are getting increasingly difficult to reach out to by broadcasters like ourselves. For those of you are parents, you will know that the young at least in Singapore are spending a lot of time surfing the net and chatting on the net. It is quite bewildering for us who have not really been brought up in this net generation. And the question to ask ourselves is do we continue to try and just enhance our channel to reach these people? Do we try to produce more channels targeted at these people or do we try to reach out through the means they are most familiar with? I discuss, for example, with our news and current affairs colleagues and asked them what their mission was? I is to make everyone watch the Channel 5 English news at 10.30 p.m and Chinese news at 10 p.m, or is it to reach out to these people wherever they are? That is the question we have to answer. If we look at the progress of broadcasting in different parts of the world and countries, we are experiencing different services ranging from the mass media, conventional broadcasting to new services developed over the last few years, like multi-channel broadcasting in the form of cable and satellite pay services. In Singapore, we have also just launched the video-on-demand. That is not by us but by Singapore Telecommunications as also in Hong Kong. So you can see a lot of these services co-existing in the one single market.

I pose a question to ourselves. How are we going to tackle all this in this age of diversity when consumer needs are so different and changing so rapidly? I believe it calls for a change in the way we organize ourselves in the broadcast industry. In another presentation earlier, I jokingly put together what my concept of this organization should be and I borrowed the initials of BBC (I hope they don't mind this copyright issue). But I think the corporation of the future will be something like:-

BORDERLESS- Looking to capture common audiences, targeting at the women, the young, the professionals and recognizing the division between the haves and have not.

BITCASTING- Once it is digital, everything can be put to bits and transmitted anywhere. It is very important that we do not limit ourselves to making the same half-hour or one hour programme. For example, our news organization spends so much time gathering information, recording speeches, analyzing them, trying to condense it into a half-hour programme every night. I think that's a very good but imagine all the information we have not put up because there is no room. I think that information can be repackaged in a digital world and delivered to audiences who want it. So now we are trying to work with video-on-demand to put some of this information there. We made a start by putting this half-hour bulletin on video-on-demand. And surprisingly people are willing to pay good money to watch an outdated news bulletin. So I am sure there is good money to be made by repackage information that people can access anytime. Our news bulletin may only contain 3 minutes of a very important speech but through video-on-demand, you can watch the whole 1 hour speech. So we transcend our mindset and think of new ways of addressing the business.

COOPERATIVE- To mean that people who deliver will have some stake in the company. For example, the contract between employers and employees will somehow change to really take into consideration the way we are going to live and work.

So this is just one idea to let people think on how it will be. But really, if we look around in Singapore for example, the digital age is already there. Look at the Internet. It is so global, personal interactive, a very good example of what is going to be. I believe it is no longer hype. Internet is still in its very rudimentary stage today. But in a few years time, with the construction of the highways, I think it is going to be a way of life. And is a growing business. In Singapore, I believe we have about 250,000 subscribers to the Internet. If you multiply that by $30.00 a month, it is already a 100 million dollars business. I think for us in the broadcast industry one of the opportunities we have, to thrive in this diverse environment, is really the advent of digital TV. We, in Singapore, are looking at it with great anticipation and studying how to use this technology to improve our service. But it is very costly. So we have to think of new business models to make this viable.
We argue among ourselves is the way to go just to develop high quality channel 5 or Channel 8 or create more services to cater to different lifestyles? In other words, instead of forcing people to watch our Chinese drama/soap at 9.00 p.m., can't we, with a bit of shifting, zoning, do it differently? These are questions we are asking. Can I do a Chinese channel for the young, or women, or professionals? Of course, it comes with a huge cost. But if we can think of a business model, maybe that is the way to go.

We have also looked at other possibilities digital TV can offer. In fact, everybody talks of the convergence of telecommunications, computers and broadcasting. I think that will come but I don't think it will come in one box. Some people say everything will converge into one big box - one big screen in your room. You do everything you surf the net, order your pizza, watch TV. I think that is a big problem. Because many think it could be quite stressful. I think there has to be better way. In fact, it will be reverse. I could be wrong but I think because of the technology, there will be more devices available. They could be available in the moving vehicles like the MRT, car, taxis. So I think the convergence will bring more diversity. And the convergence may not just be limited to telecommunications, broadcasting and computers but also of publishing and broadcasting. I think we have realized that we need to learn the skills of publishing. I think we are quite good with the visual medium but not so good in handling textual information. So I think there are better and smarter ways to get the information to the people who want it. Now all our media website people have digital cameras. So I think it is a combination of all this that will help us survive.

These are some of the thoughts that I have. I don't pretend that I have answered the questions. In fact, I have posed many questions because this is unchartered territory and very exciting for all of us. And I think for broadcasters like ourselves, we should see it as an opportunity to redefine our business and mission. I think for those of us in the regulating environment, there is a need to examine our role. Especially, with the Internet, this middleman, regulating role is becoming more and more difficult to sustain.

I would like to end by saying I hope you have a very fruitful discussion. This is a very meaningful topic and there are several common issues that if we tackle, we an find many new opportunities in the diverse broadcasting environment ahead.

Thank you.