

The 29<sup>th</sup> STAG Board Meeting  
Topic 3 : The Cultural and Creative Industries

# Creative Taiwan

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## **Presentation: Cultural & Creative Industries Development Plan**

Organizers : Ministry of Economic Affairs, Government Information Office,  
Ministry of Education, Council for Cultural Affairs

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**November 3, 2009**

# Outline

## A. Foreword

### 1. Global Trends

### 2. Domestic State of Affairs

## B. Strategies and Plans

## C. Current Progress

## D. Projected Results

## E. Discussion

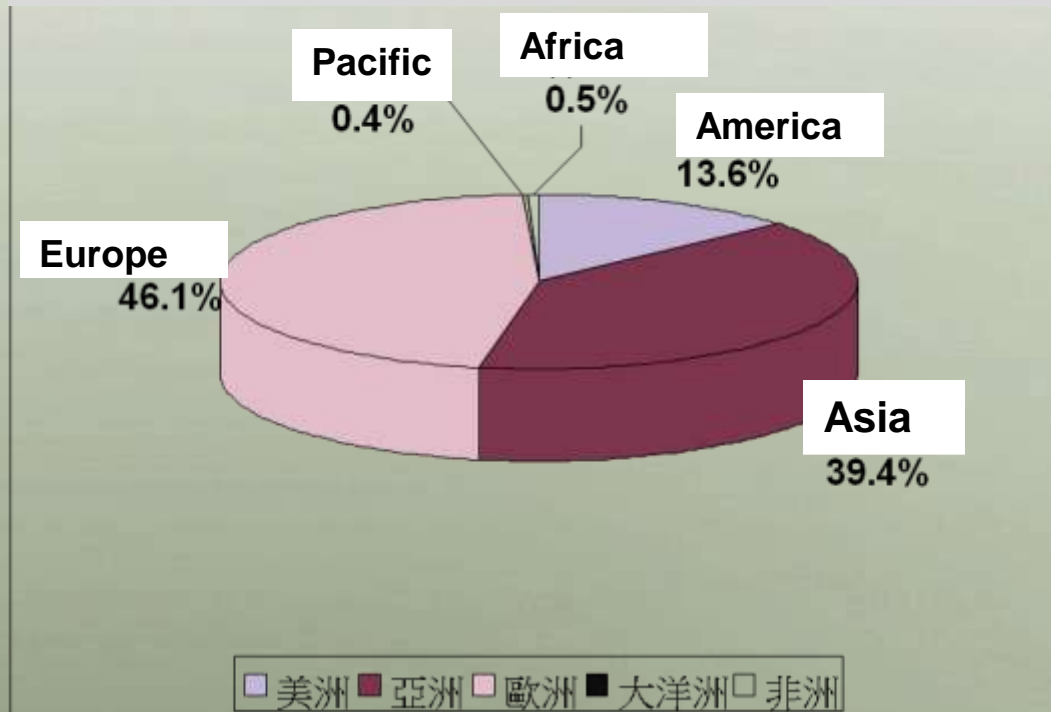
# A. Foreword

The cultural and creative industries (CCI) are set to become the next engine of growth in Taiwan. The cultural creativity of each nation reflects its values, cultural particularities and ways of life. The cultural and creative industries of Greater China, meanwhile, have attracted much attention in recent years.



# Global Trends

2005 CCI Exports of Different Regions

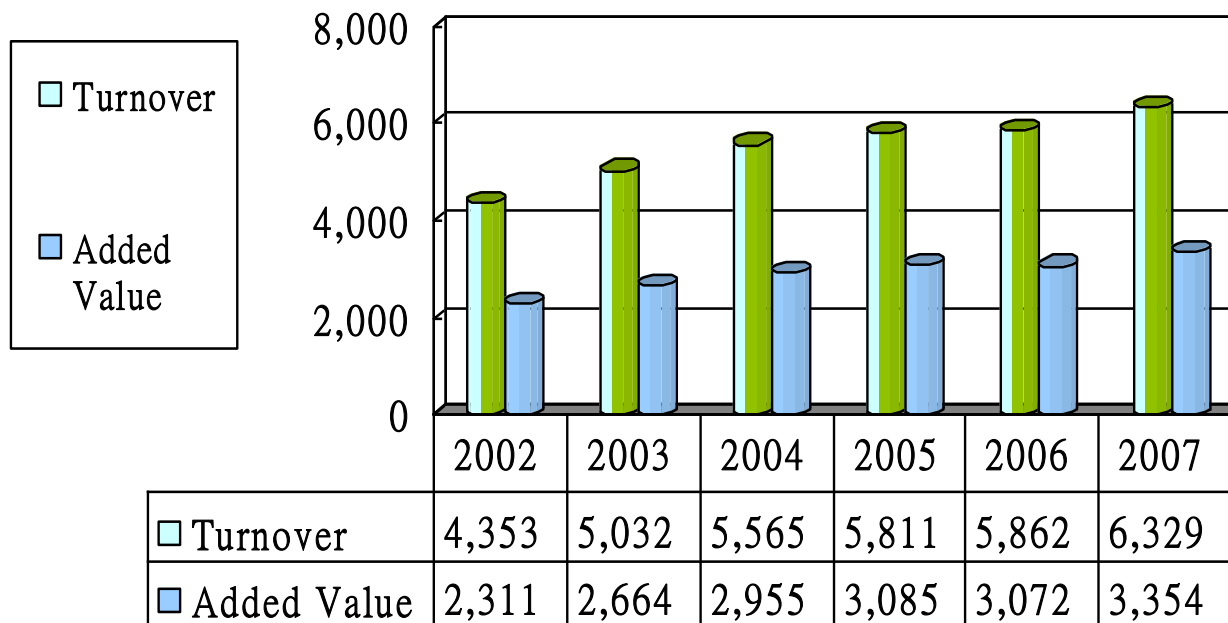


Source: UNCTAD (2008) 《2008 Creative Economy Report》

- CCI exports have jumped 87% over the past decade; mainland China's exports have seen the largest growth.

# Taiwan's Cultural & Creative Industries

## The Cultural & Creative Industries: 2002-2007



- From 2002-2007, turnover rose to NT\$197.6 billion, while added value jumped to NT\$104.3 billion. Average annual growth was 7.73%, far outstripping the 3.7% GDP growth for the same period.

# Domestic State of Affairs

## Innovation is the Key

Publishing industry, for example, must digitalize to remain competitive amid virulent competition

## Overconcentration

Firms concentrated in large cities in the north

## CCI in Taiwan

## Oligopoly

Large firms dominate; smaller firms need help to remain competitive

## Vicious Competition

Policies can only stimulate growth so far; the market will decide the future of development

# SWOT Analysis

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"><li>➤ Free &amp; open environment</li><li>➤ Liberal and pluralistic society</li><li>➤ Transparent information</li><li>➤ Technology &amp; Innovation</li><li>➤ People interested in and willing to purchase cultural items and experiences</li></ul>	<ul style="list-style-type: none"><li>➤ Small firms make up 80% of the CCI; market not yet mature</li><li>➤ Firms' lack experience and ability to expand into foreign markets</li><li>➤ No dedicated government agency; policy changes leave public doubtful</li><li>➤ Lack of capital and investment incentives</li><li>➤ Weak IP protection</li><li>➤ Need for larger number of managers, marketers and integrators</li></ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"><li>➤ Taiwan's cultural features can stimulate formation of global CCI brands for Mandarin speakers.</li><li>➤ Mainland's rise encourages sales within the "Greater China" area</li><li>➤ Taiwan-mainland interaction offers opportunities for the domestic CCI.</li><li>➤ Talented people eager to make their mark in the CCI</li></ul>	<ul style="list-style-type: none"><li>➤ Competition from Korea, Japan, Thailand and India</li><li>➤ Mainland China draws Taiwan's talented people</li><li>➤ Pressing need for negotiations concerning Mainland China's laws</li></ul>

# Development Strategies

**Vision**

**Time Frame: 2009-2013**

**Taiwan an Asia-Pacific Cultural and Creative Center**

With Taiwan as base, make strides in the China market;  
springboard thence around the world

# Promotional Framework

Establish a development-friendly environment and be a leader

Laying the Groundwork

Flagship Plans

Financial Aid

R&D

Market Expansion

Human Resource Cultivation

Industry Cluster Effect

TV Content

Film

Pop Music

Digital Content

Design

Crafts

**Executive Yuan CCI Task Force**

Policy  
Coordination

Staff

Executive  
Units

Mid and  
Long-term  
Plans

**CCI Task Force Office**

**CCA**

**GIO**

**MOEA**

**CCI Development  
Plan II**

**TV Content Industry  
Development  
Flagship Plan**

**Movie Industry  
Development  
Flagship Plan**

**Pop Music Industry  
Development  
Flagship Plan**

**Digital Content Industry  
Development Flagship  
Plan**

**Design Industry  
Development Flagship  
Plan**

**Laying the  
Groundwork**

**Craft Flagship  
Industry**

**TV Content Industry  
Movie Industry  
Pop Music Industry**

**Digital Content Industry  
Design Industry**

## Strategy I : Financial Aid

**NT\$20 billion from National Development Fund**

- Establish a mechanism to invest in CCI

**Investment**

**MOEA**

- Loans for digital content and CCI
- Loans for R&D
- SME Credit Guarantee Fund

**Loan & Credit Guarantee**

**Tax Incentives**

Revise laws to allow tax deductions for R&D, training and donated tickets to cultural events

**Awards**

- Prizes awarded at different competitions

**Funding and Guidance**

- Government sponsorship
- CCI Foundation

# Strategy II : R&D and Consulting



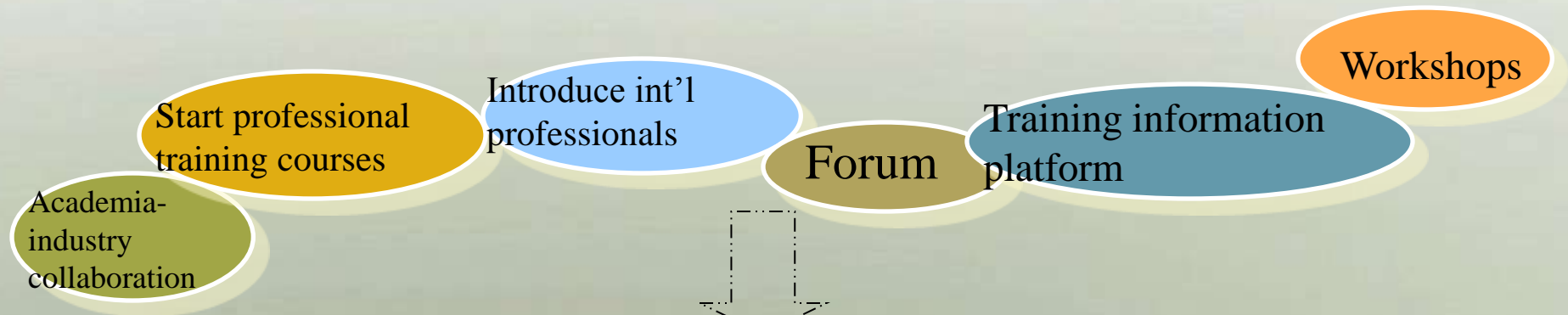
## Circulation & Expansion

Four of the six flagship industries need to expand their markets. Market expansion strategies for CCI at home and abroad need developing.

## Strategy III: Circulation & Expansion

Flagship Industry	Current Situation	Future Efforts	Strategies
1.Crafts	<ul style="list-style-type: none"> <li>➤ Cross-sectoral integration</li> <li>➤ Incorporates design, fashion, technology industries</li> </ul>	<ul style="list-style-type: none"> <li>✓ Establish crafts brands</li> <li>✓ <b>Expand int'l market</b></li> </ul>	<p><b>Attraction</b> → <b>Attract foreign buyers, tourists and spur domestic demand</b></p> <p><b>Promotion</b> → <b>Help companies to attend int'l exhibitions and expand foreign market</b></p> <p><b>1.Exhibitions hosted by Taiwan</b>  <b>2.Well-known awards ceremonies</b>  <b>3.Strong sales and marketing force</b>  <b>4. Boosted sales in China, Asia, Mandarin-speaking communities, the EU and the US</b></p>
2.Design	<ul style="list-style-type: none"> <li>➤ International design awards</li> <li>➤ 2011 World Design Congress in Taipei will connect Taiwan with the world</li> </ul>	<ul style="list-style-type: none"> <li>✓ <b>Expand int'l market</b></li> </ul>	
3.Digital Content	<ul style="list-style-type: none"> <li>➤ Develop a more solid environment</li> <li>➤ Business opportunities in the “stay-at-home” economy await</li> </ul>	<ul style="list-style-type: none"> <li>✓ IP protection mechanism</li> <li>✓ Richer, more creative content</li> </ul>	
4. Film	<ul style="list-style-type: none"> <li>➤ Full of innovative energy</li> <li>➤ Cross-sectoral alliances mark work on themes, scriptwriting, casting, marketing and tourism</li> </ul>	<ul style="list-style-type: none"> <li>✓ Improve production, marketing links</li> <li>✓ Huge business opportunities in Taiwan</li> </ul>	
5.TV Content	<ul style="list-style-type: none"> <li>➤ Raising funds and training talent</li> <li>➤ Small domestic market, low budgets; script quality needs improving</li> </ul>	<ul style="list-style-type: none"> <li>✓ International collaboration</li> <li>✓ <b>Expand int'l market (Mandarin)</b></li> </ul>	
6. Pop Music	<ul style="list-style-type: none"> <li>➤ Asia’s biggest pop music exporter; enjoys largest sales in Asia</li> </ul>	<ul style="list-style-type: none"> <li>✓ Encourage song writing</li> <li>✓ <b>Expand int'l market</b></li> </ul>	

# Strategy IV: Training & Job Matching



## Cultivate CCI Intermediary

creative design, product development, marketing, pricing strategy, financial management, negotiation skills, market plan drafting, exhibition participation, brand management, intellectual property rights

**Act as an intermediary to help connect people in the CCI with those in other industries**

# Strategy V: Industry Cluster Effect

**Huashan Cultural & Creative Park**



**Taichung Architecture, Design & Art Center**



**Jiayi Cultural & Creative Park**



**Tainan Cultural & Creative Park**



**Hualian Cultural & Creative Park**



**Goal: Have cultural and creative parks form industry chains, engender private investment and promote creative development**

# CCI Flagship Plan

**Six  
Flagship  
Plans**

**TV Content Industry**

**Film Industry**

**Pop Music Industry**

**Digital Content Industry**

**Design Industry**

**Crafts Industry**

# C. Current Progress

2 Cores

5 Strategies  
6 Flagship Industries

40 Key Projects

146 Items

Laying the Groundwork

R&D, Consulting

Establish a consulting mechanism and an ICC intelligence network to promote cross-sectoral integration and R&D.

Funding Sources

Provide and combine awards and subsidies, offer seed capital and strengthen existing financing and investment programs.

Training, Job Matching

Nurture new CCI talent, train intermediaries and promote a CCI certification scheme.

Distribution, Expansion

Build CCI brands, integrate resources and expand the international market for CCI products.

Cluster Effect

Coordinate regional resources, found five creative cultural parks and transform the National Palace Museum into a CCI hub.

TV Content Industry

Train talented people, be foresighted concerning market trends, create a supportive environment, and expand presence in overseas markets

Film Industry

Increase global presence, expand share in Mandarin-speaking markets and cultivate talented people and improve overall environment

Pop Music Industry

Talent cultivation, cultural heritage preservation, R&D and promotion and international marketing

Digital Content Industry

Promote digital games, computer animation, digital publishing, e-learning and digital archives, digital audio/video

Design Industry

2011 World Design Congress in Taipei, Songshan Tobacco Factory renovation, and expansion of the "creative life" industry

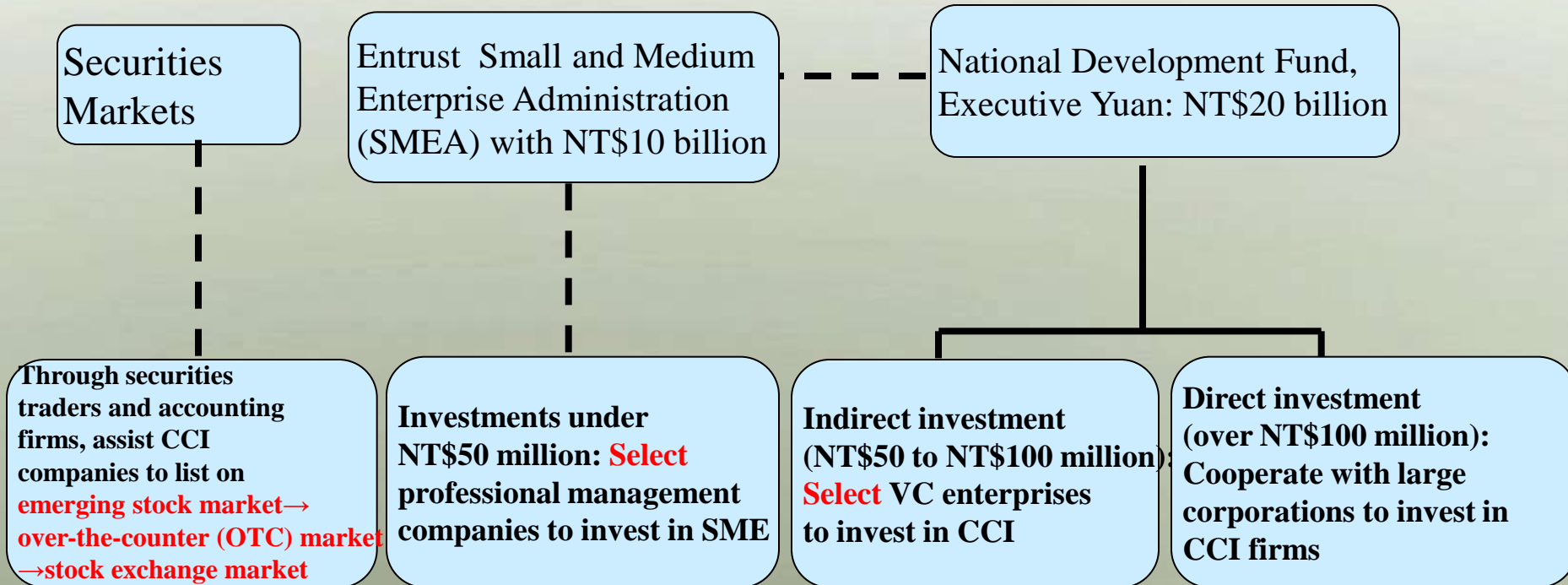
Crafts Industry

R&D, cross-sectoral collaboration, champion well-known brands, set up the Craft Innovation Incubation Center

Flagship Industries

# National Development Fund CCI Investment Scheme

Minor adjustments to current mechanism



Host briefings on CCI investment

Provide consultation and recommend CCI companies to apply for investment

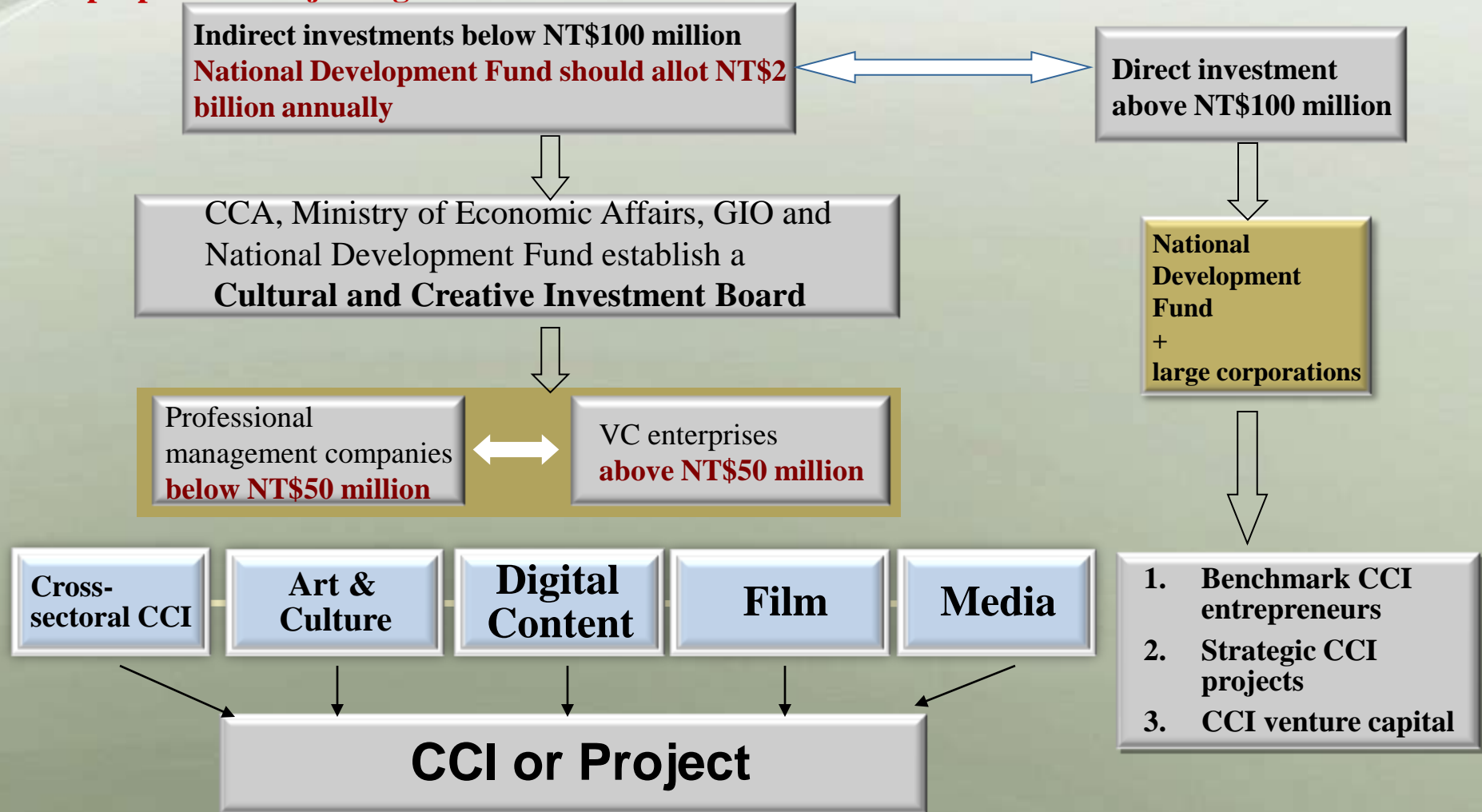
Encourage VC firms and professional management companies to invest in CCI firms;

Amend Enforcement Regulations for Investment, evaluation and selection system and investment mechanism

CCA/GIO/Industrial Development Bureau (IDB)

# Consolidation of National Development Fund CCI Investment Scheme

## A proposal for adjusting the mechanism



Improve publicity, consulting and recommendations surrounding plans for CCI entrepreneurs to apply for and be matched up with venture capital and professional management companies; revise investment applicant qualifications to allow for **project investments** and Limited Partnerships (LP)

# Adopt business tactics

to promote CCI organization strategy

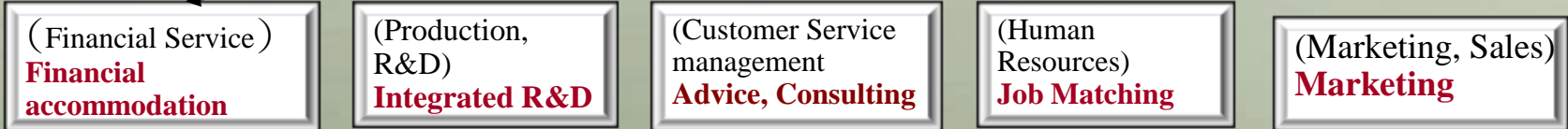


## CCI Promotion Office (internal)

Oversee policy staff, planning and goal-setting

## CCI Development Center (external: one stop service)

Integrate plans and resources of different government departments, provide consulting service, combine resources and referral service counters



Agencies:  
**MOEA,**  
 IDB,  
 SMEA  
  
**NDF**  
 Securities  
 Market,  
 Venture  
 Capitalists

Agencies:  
  
**NSC**  
**ITRI**  
**MIC**

Agencies:  
  
 MOEA,  
**SMEA,**  
 Juridical  
 Persons,  
 Public and  
 Private Sector,  
 Industry  
 Consultants

Agencies:  
  
**MOE,**  
 Incubation  
 Center,  
**Dispatching**  
**Agencies**

Agencies:  
  
 BOFT,  
**TAITRA,**  
 MOFA,  
 R.O.C. Overseas  
 Offices,  
 Int'l Trade/Culture  
 Units in China, HK,  
 Japan and the UK

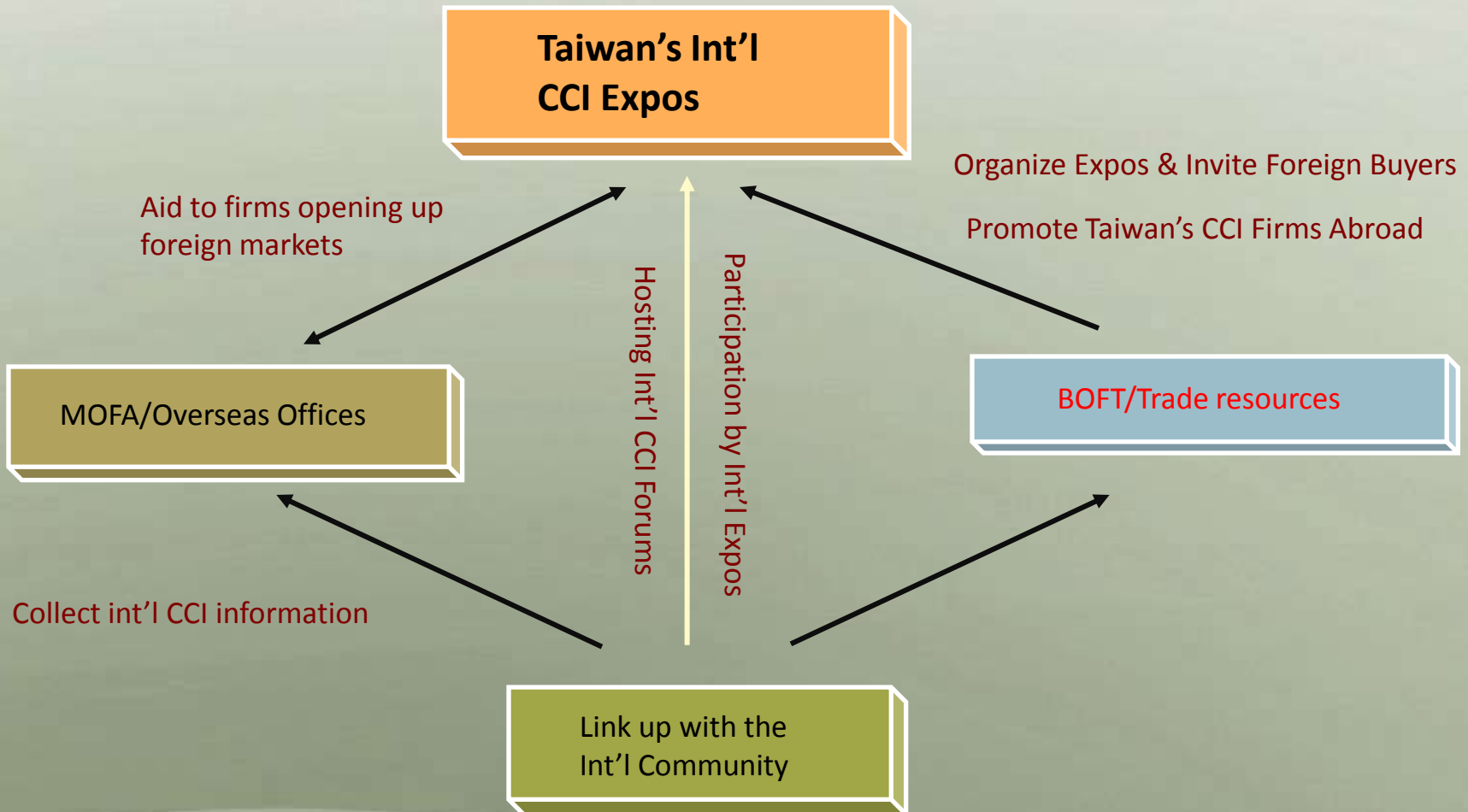
# Leading Int'l CCI Expos

# Current Progress

■ Audio-visual    
 ■ Digital Content/Mixed    
 ■ Art    
 ■ Innovative Products



## Boosting International Market Presence by Hosting Expos



# Current Progress

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Taiwan Exhibitions</b>						Comput ex		Art Taipei		Taiwan Int'l CCI Exhibition		
<b>Mainland Exhibitions</b>				HK Gifts & Premium Fair					NE Asia Expo			Beijing Int'l CCI Expo
					*	Shenzhen Int'l Cultural Industries Fair				Cross-Straits Cultural Industries Fair		
<b>Int'l Exhibitions</b>		Ambiente (Germany)		Milan Design Week (Italy)						France		

1. Coordinate BOFT resources to boost ICC exports.
2. Integrate resources of different government departments and overseas offices to set up permanent sales channels in foreign markets.
3. Market Taiwan's CCI by helping companies to participate in CCI and cross-industry exhibitions both at home and abroad.
4. Forge links with domestic and foreign CCI organizations and associations and set up an international technical cooperation and exchange mechanism.

# Performance Indicators

	2010	2011	2012	2013	Total
<b>Production Value (trillion NT\$)</b>	<b>0.7963</b>	<b>0.8732</b>	<b>0.9734</b>	<b>1.0946</b>	<b>3.7375</b>
<b>Jobs created (persons)</b>	<b>8,828</b>	<b>10,453</b>	<b>11,648</b>	<b>12,933</b>	<b>43,862</b>
<b>Training (person-times)</b>	<b>2,575</b>	<b>2,945</b>	<b>3,195</b>	<b>3,545</b>	<b>12,260</b>

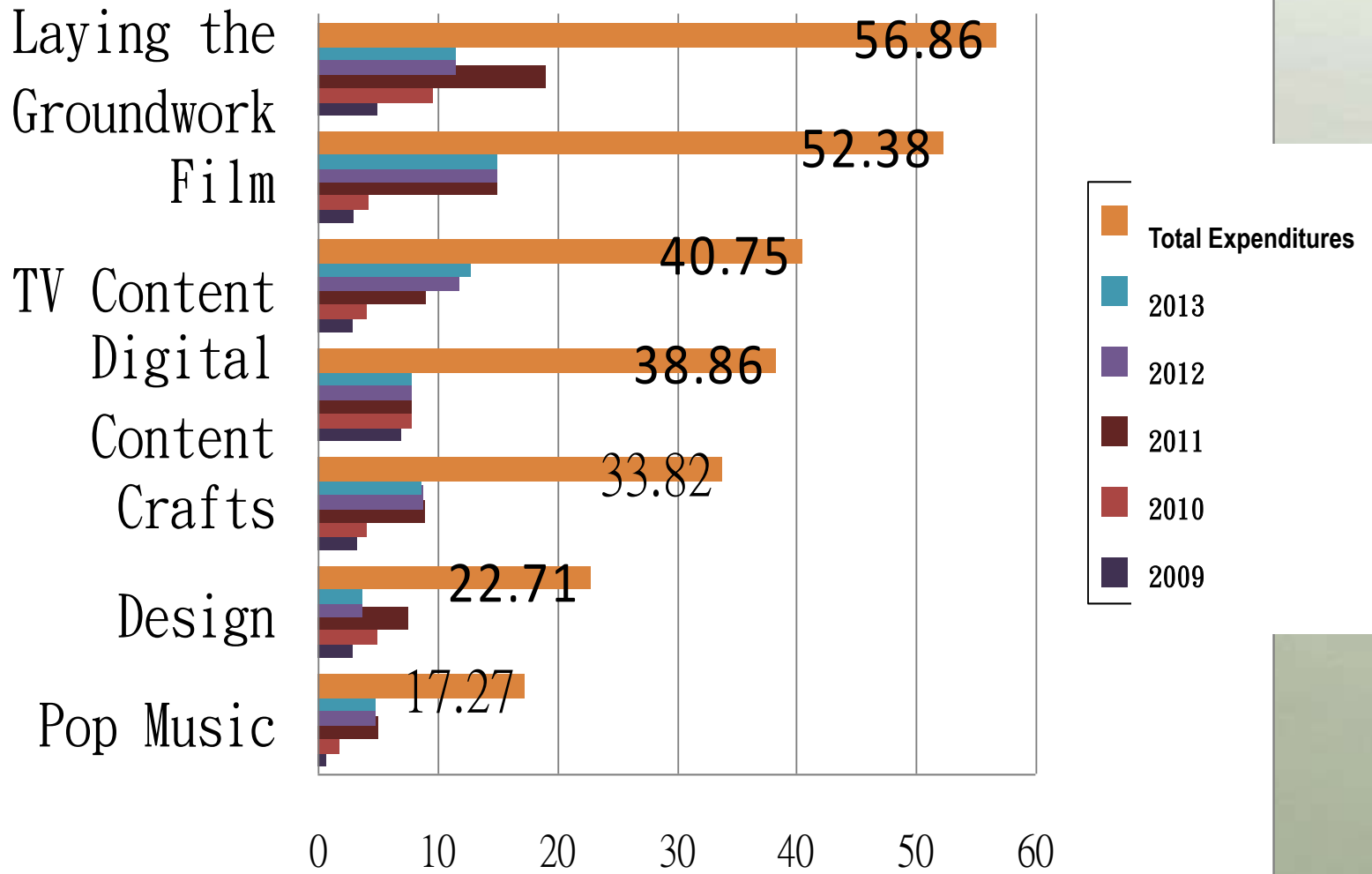
# Total Expenditures

**Unit: billion NT\$**

Plan/Year	2009	2010	2011	2012	2013	Subtotal
Laying the Groundwork	0.495	<b>0.936</b>	1.897	1.156	1.202	5.686
TV Content	0.284	<b>0.431</b>	0.900	1.180	1.280	4.075
Film	0.297	<b>0.441</b>	1.500	1.500	1.500	5.238
Pop Music	0.072	<b>0.175</b>	0.510	0.485	0.485	1.727
Digital Content	0.753	<b>0.783</b>	0.783	0.783	0.784	3.886
Design	0.281	<b>0.489</b>	0.761	0.370	0.370	2.271
Crafts	0.334	<b>0.412</b>	0.891	0.880	0.865	3.382
<b>Total</b>	<b>2.516</b>	<b>3.667</b>	<b>7.242</b>	<b>6.354</b>	<b>6.486</b>	<b>26.265</b>

## Expenditures of CCI Development Plan

Unit : 100 million NT\$



# Anticipated Results

## Taiwan an Asia-Pacific Cultural and Creative Center

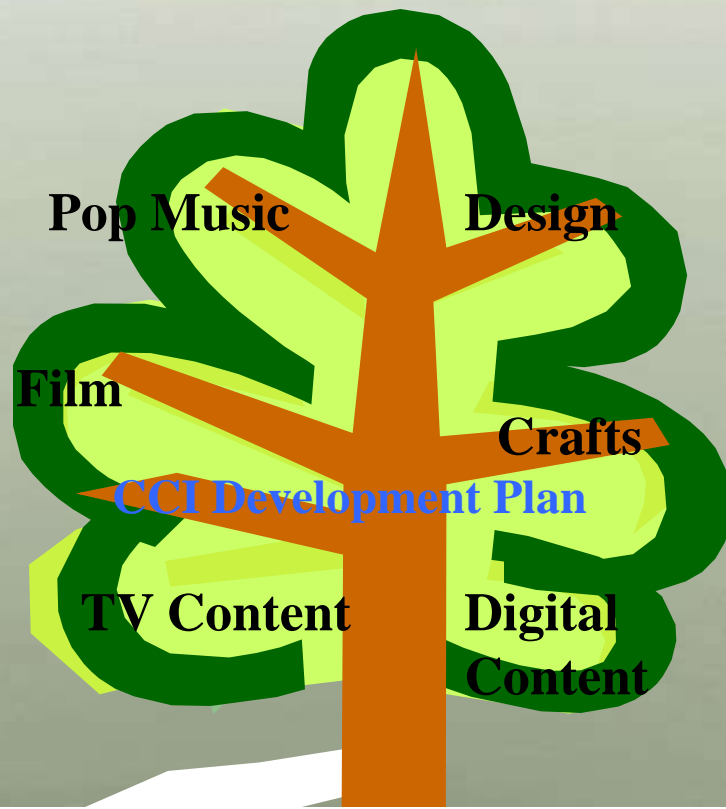
Spending on culture rises from 13% to 15% of all consumer outlay.

Six flagship industries' earnings top NT\$100 billion; 43,000 jobs created.

800-plus items win international awards; profits from transnational cooperation reach NT\$1.2 billion.

Media industries grow by at least 20%; foreign sales rise 300%.

Tourism, Agriculture, Medicine, Biotech, Renewables



❖ Transform Taiwan into the CCI convergence point for the Asia-Pacific.

❖ Bring CCI together with other rising industries to help Taiwan shine on the global stage.

## Laying the Groundwork

Capital Injection 、 Personnel Training 、 R&D 、 Revising Laws 、 Building Systems

# 5. Discussion

1. How can Taiwan's advantages be used to encourage cross-sectoral cooperation in the CCI?
2. How can public and private resources be used to expand domestic and foreign markets while still protecting Taiwan's sovereignty?
3. How can CCI enterprise operators obtain greater capital injections?

**Thank you!**

