

Topic 3: Cultural and Creative Industries

Discussion 1: Flagship Plans for the TV Content, Film and Pop Music Industries

Government Information Office

November 3, 2009

Background

1. The purchasing habits of people around the world have undergone major changes in recent years. Globalization has allowed culture to become a marketable item, thereby creating a new international arena for culture. For Taiwan to secure a place in the global media market, it must upgrade the competitiveness of related industries.
2. Among the industries supported by the Government Information Office (GIO), TV content and pop music are most strongly poised to become successful cultural exports as they already enjoy a competitive edge in Mandarin-speaking markets. For these industries' global influence to increase, it is necessary for the government to provide assistance in a selective, strategic and planned manner. In July 2008, the Executive Yuan announced that it would include the TV drama and pop music industries in its flagship plans for promoting the cultural and creative industries.
3. To help these rising media industries grow further, the GIO feels it is imperative to assist related businesses to increase their global competitiveness and expand into overseas markets by employing more farsighted and more focused strategies. In addition, as the film industry also has considerable potential to exert far-reaching cultural influence, approval was given by the Executive Yuan Council to include this industry in the flagship plans in May 2009.

Current State of Development

Production Value and Number of Employees: TV Content Industry

- 1. In 2007, total production volume: 124,492 hours**
- 2. Total domestic and overseas sales: NT\$1,584,280,000**
- 3. Domestic sales exceeded NT\$600 million, accounting for 38 percent of total sales, the remainder being accounted for by overseas sales.**
- 4. Number of employees in the industry: roughly 30,000**

Production Value and Number of Employees: Film Industry

- 1. In 2007, there were 602 businesses in the film industry.**
- 2. Total box-office revenues: NT\$5 billion**
- 3. Market share of domestically produced films: 7.38 percent**
- 4. Total revenue: NT\$13.828 billion**
- 5. Overseas revenue: NT\$350 million**
- 6. Number of employees: 4,300**

Production Value and Number of Employees: Pop Music Industry

- 1. Taiwan ranks 30th in the global music market and first in Mandarin-speaking areas.**
- 2. Total production value: NT\$6.28 billion, of which NT\$2.196 billion was CD sales**
- 3. Taiwan's pop music albums are available in over 80 percent of Mandarin-speaking markets, enjoying annual sales of over NT\$1 billion.**
- 4. Number of employees: about 1,400**

Results of Promotion

TV Content

1. The GIO has provided NT\$150 million in funding annually since 2006 to help businesses produce high-quality, high-definition and digital TV programs. Funding has benefited 110 projects, resulting in 820 hours of TV programming.
2. The GIO has helped businesses participate in TV content expositions in Hong Kong, Beijing, Shanghai and Seoul. It has also organized the annual Taipei TV Festival and facilitated overseas copyright sales by domestic firms.
3. The GIO implemented a program this year to send radio and TV professionals overseas for further training. Those selected will depart for Japan and the United States in early November.

Results of Promotion

Film Industry

1. The GIO established a Cross-strait Film Exchange Committee on April 10, 2009 and has since arranged for cross-strait film exchange activities.
2. The GIO has funded filmmaking businesses to hold film-related seminars and training for film professionals. It has also assisted domestic and foreign films in carrying out pre- and post-production work in Taiwan. In addition, it has helped county and city governments set up dedicated service counters to provide filming assistance. To date, seven counties and cities have established film committees.
3. The Directions for Reviewing Applications of Mainland Chinese Film Industry Professionals to Come to Taiwan to Participate in the Production of Domestically Produced Motion Pictures or to Collaborate with Taiwanese Firms in Producing Motion Pictures were promulgated on August 21, 2009, taking retroactive effect from July 27, 2009.
4. The GIO launched the Cinematic Education for Students Plan in July 2009.

Results of Promotion

Pop Music Industry

1. The GIO was the creator of the Golden Melody Awards, the Taiwan Original Music Awards and other events. The Golden Melody Awards are the most prestigious event in the Mandarin music community.
2. In work to promote and market talented bands, a total of 15 groups were provided funding this year to produce albums. Meanwhile, funds were granted to six other albums to help with creative marketing campaigns and to an additional 10 groups to perform in Europe, the U.S., Japan, Hong Kong and mainland China.
3. To boost enterprises' position in the international market, the GIO helped bands Kou Chou Ching, Won Fu, Sodagreen and Taiwan Soul as well as Lim Giong's multimedia band to take part in music festivals and perform in various cities in the U.S. and France.
4. The GIO helped indie band Kou Chou Ching to participate in the Just Plain Folks Music Awards ceremony in the United States and Xiao Qing- yang to attend the Grammy Awards. Kou Chou Ching won two top prizes: Song Winners award for Remix Song, and the Founder's Award for the Group of the Year.

Current Challenges

TV Content

1. The limited size of the domestic market means there is little room for increasing production budgets, which affects quality and overseas sales.
2. The strong capital position of mainland China has acted as a magnet, drawing in Taiwan's TV production companies. However, Taiwan's companies only obtain small equity stakes in joint ventures. As a result, they cannot build on mainland Chinese copyright revenues to gain a strong market position.
3. The quality and marketability of programs have suffered from a dearth of screenwriters, brought on by a lack of long-term training of and passing on of experiences to younger screenwriters.

Film

1. The domestic market is small and dominated by Hollywood films.
2. The mainland Chinese market has attracted foreign capital, talented individuals and advanced techniques, while obstacles remain to the entrance of domestically produced films to that market.
3. There remains a dearth of management professionals in the areas of special effects, production and marketing.

Pop Music

1. Pirating and the development of digital technology have greatly affected existing business mechanisms, causing a decline of the domestic pop music market.
2. The opportunities presented by the growing mainland Chinese market have attracted Taiwan's music professionals in large numbers, resulting in a "talent drain."
3. As Taiwan's music market is struggling, a number of Singaporean and Malaysian singers have chosen to bypass Taiwan completely and enter mainland China directly.

Cross-sectoral Integration

1. A trend toward greater association among the TV, film and pop music industries is being seen in audio-visual production. Profits are no longer limited to the sale of individual copyrights, but rather result from integrated marketing campaigns and a cross-industry convergence.
2. The hit film “Cape No. 7” integrated film, pop music and live performances. It enjoyed additional income from DVD sales and TV and Internet broadcasts. As well, the film had the happy effect of bolstering film-location tourism and consumer products seen in the movie.
3. Recording artist and actor Jay Chou has released numerous bestselling albums and, through melding the music and movie industries, has also acted in films that enjoyed strong box-office sales and earned him a nomination for a Golden Horse Award.



Cape No. 7” concert and movie soundtrack

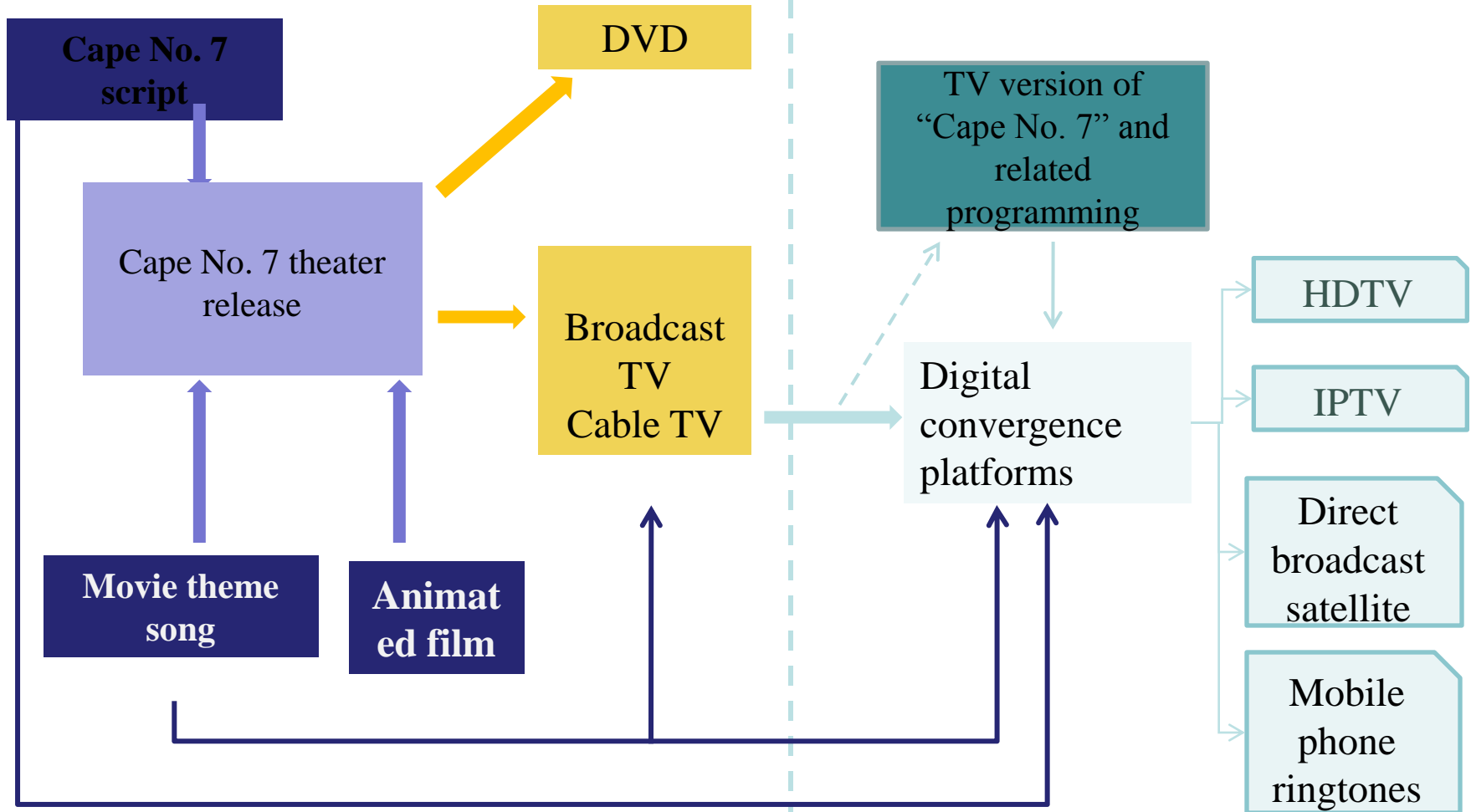


Jay Chou Concert



Jay Chou film
“Secret”

Cross-sectoral Integration Diagram



Traditional platforms



New platforms

Cross-sectoral Integration Strategies

Production Guidance

Establish institutions to research trends

Set up institutions to research domestic and international market trends in the film, TV and pop music industries.

Foster the use of original plots

Support filmmakers' use of domestically produced original stories from print, music, TV and the Internet, and develop a variety of internationally competitive movie scripts.

Encourage exchanges by gifted individuals in audio-visual industries

Encourage filmmakers to cultivate domestic stars and technicians and seek out talented individuals in the areas of pop music, TV and other cultural fields.

Promote music Composition

Draw up funding directions to stimulate the production of musicals, video games and TV programs.

Increase sales of tie-ins

Make the best use of the impressive plots and overall style of domestically produced TV dramas; stimulate the sale of related publications, songs and motion pictures.

Cross-sectoral Integration Strategies

Marketing and Promotion

Greater visibility

Assist movies, TV programs and pop music to be aired via new media such as the Internet and on mobile phones.

Convergence and broadcasting in mainland China

Have domestically produced movies broadcast on TV channels in mainland China; bolster cross-sectoral marketing in that market.

Domestic awards ceremonies

Turn the Golden Horse, Golden Bell and Golden Melody awards into the most prestigious accolades for Mandarin video and musical productions; reward cross-sectoral productions and those involved in creating them.

Film festival trade shows

At domestic and international film festivals, market audio-visual products; exhibit original scripts, motion pictures and other artifacts; and host the live performance of movie theme and end credits songs so as to create an atmosphere conducive to trade in movies.

Filming location tourism

Produce a variety show in the vein of “Britain’s Got Talent” and attract greater numbers of tourists to popular destinations by filming in such areas.

Cross-sectoral Integration Strategies

Human Resources and Infrastructure

Support internship exchanges

Help people new to the film industry to get on-the-job training while interning on medium- and large-scale productions and also building connections with and learning from foreign professionals. Encourage these people to share their internship and shooting experiences with those in the TV content and pop music industries.

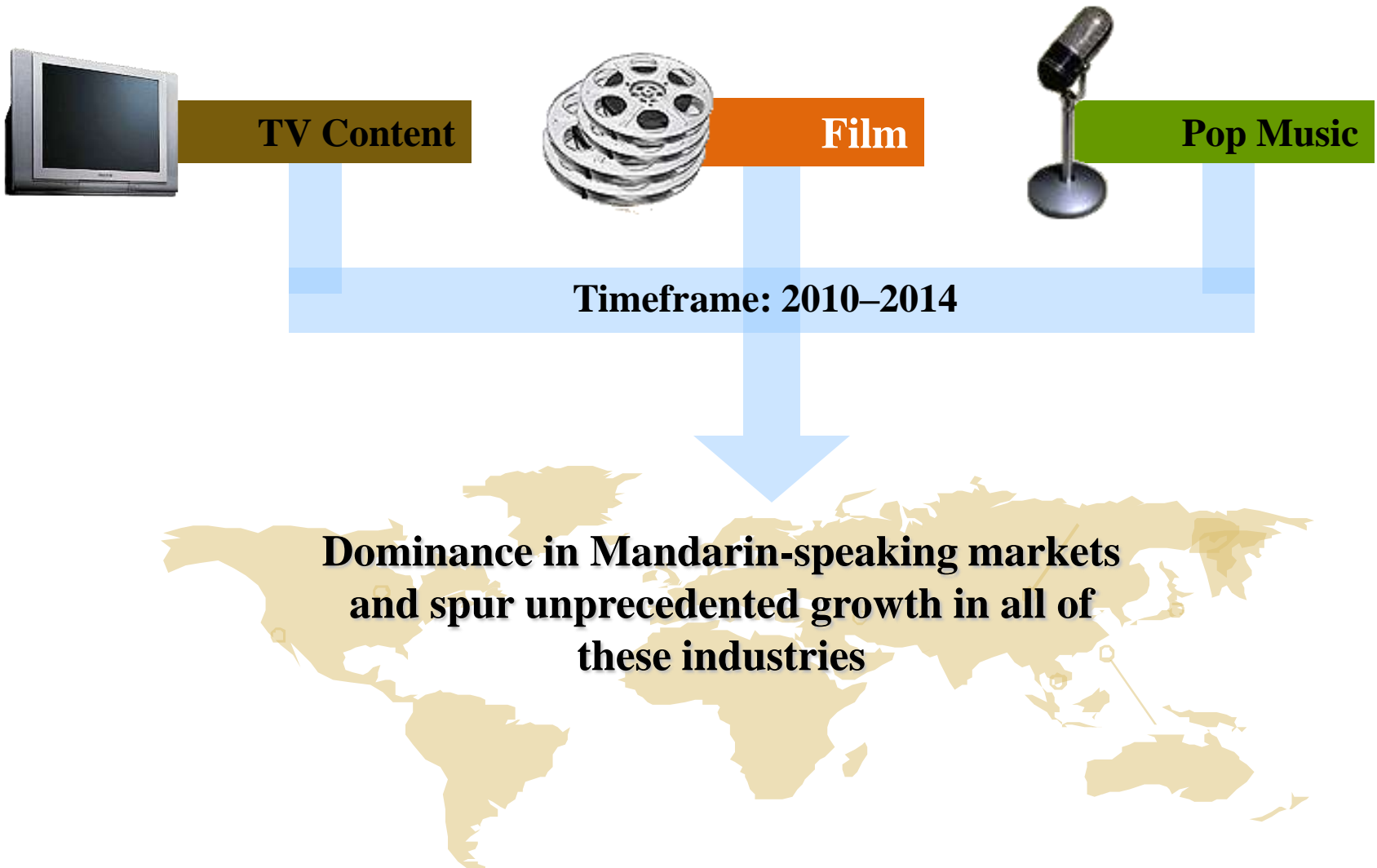
Encourage foreign film production in Taiwan

Assist foreign filmmakers to produce their works in Taiwan so as to create jobs and upgrade domestic skills in the fields of TV content, film and pop music. Set up Web sites to help domestic and foreign companies to shoot or produce in Taiwan.

Acquire the latest equipment

Provide funding to domestic pre- and post-production firms to purchase cutting-edge digital equipment in order to boost the quality and competitiveness of their work.

Vision



TV Content Industry Flagship Plan

Goals



Cultivate talented individuals: Create a name for Taiwan as the home of talented people involved in the production of Mandarin TV programs.

Improve sales methods: Strengthen marketing strategies to solidify domestic TV program producers' position as leaders in Chinese-speaking markets.

Vie for leadership: Make Taiwan the top producer of TV programs watched by Chinese-speaking peoples in the Asia-Pacific region.

Development Strategies and Salient Points

Development Strategies

Salient points

1. Train talented people:

Support the development of promising individuals and enhance Mandarin TV program production and scriptwriting resources.

1. Cultivate talented individuals

2. Be foresighted concerning market trends:

Set up cooperation mechanisms and systems to bring together industry, government and academia; conduct research and analysis of market trends; and be the trendsetter in Mandarin TV programs.

2. Encourage creative productions

3. Create a supportive environment:

Relax domestic laws and regulations; improve cross-industry cooperation; and encourage the flow of capital into program production.

3. Attract capital investment

4. Expand presence in overseas markets:

Help domestic producers expand their share of the mainland Chinese market, make further inroads into other Asian markets, and seek greater exposure in Europe and the Americas.

4. Expand overseas markets

5. Connect with the international community:

Actively promote international participation and set up flexible mechanisms for marketing overseas.

Measures and Plans

1. Cultivate talented individuals

- (1) Organize TV scriptwriting workshops to train gifted screenwriters.**
- (2) Promote academia-industry cooperation to hone students' skills in screenwriting, acting, directing, production and post-production.**
- (3) Help the industry establish mechanisms for cooperating with leading foreign production teams so as to draw on their experience and skills.**
- (4) Provide incentives for the production of outstanding TV programs; work with relevant TV groups to provide awards to creative newcomers; and train gifted individuals and teams to work on diverse productions while also promoting their finished pieces.**

Measures and Plans

2. Encourage creative productions

- (1) Promote the establishment of think tanks to study market trends and make trend predictions.**
- (2) Strengthen guidance measures and gradually raise subsidies for program production.**
- (3) Promote international cooperation to shoot TV programs that correspond to current trends.**

Measures and Plans

3 、 Attract capital investment

- (1) Discuss revising the proportion of TV airtime set aside for domestically produced programs with the media supervisory agency to increase the number of such shows aired during prime time.**
- (2) Coordinate with the media supervisory agency on relaxing regulations on TV show placement marketing so as to encourage enterprises to invest in the filming of TV programs; actively seek to attract production funding.**

Measures and Plans

4. Expand overseas markets

- (1) In line with the “Best of Taiwan Tourism Development Plan,” produce talent shows popular among Mandarin speakers and encourage the participation of people from abroad.**
- (2) Participate in international film exhibitions and expand information exchanges concerning the global market, help businesses invest overseas and provide guidance in attending overseas business shows and exhibitions.**
- (3) Strengthen communication channels; enhance intra-industry cooperation to bolster joint efforts to make greater inroads into overseas markets; and establish a rational trading mechanism to create greater space for negotiation.**
- (4) Set up an export incentive mechanism and guide the industry to create works in multiple languages.**
- (5) Establish an overseas marketing incentive mechanism to encourage the international marketing of TV programs.**
- (6) On an annual basis, have the GIO’s overseas offices assist in integrating marketing tactics by helping to market TV programs and obtain broadcasting opportunities.**

Anticipated Results

Talented Individuals Trained

Foresight Concerning Market Trends

A Supportive Environment

Expanded Overseas Markets

Modern dramas

Pop star dramas

Push for joint cross-strait productions (aimed at the prime-time mainland TV audience)

3,000 hours of programs produced
 Up from 474 hours

Overseas sales in 2014

NT\$3.062 billion

NT\$980 million

Mainland copyright sales in 2014

NT\$2.505 billion

NT\$344 million

II. Film Industry Flagship Plan

Goals



Create new markets for Taiwan's motion pictures in Mandarin-speaking areas

Develop new audiences and enlarge the market for domestically produced films

Create an environment conducive to the production of films by cultivating talented individuals and putting in place the necessary infrastructure

Development strategies and salient points

Development strategies

1. Help enterprises produce blockbuster films

2. Aid in the marketing and promotion of films in Mandarin-speaking markets

3. Cultivate talented individuals and put the necessary infrastructure in place

Salient points

Increase the global market share of Taiwan's films

Expand global viewership of domestic films

Upgrade the film industry

Measures and Plans

1. Increase the global market share of Taiwan's films: Help domestic enterprises produce blockbuster Mandarin films

- (1) Push market trend research on Mandarin film markets**
- (2) Encourage creativity and the development of film production and script writing**
- (3) Found the production of medium- and large-scale productions competitive in Mandarin-speaking film markets**
- (4) Aid the production of marketable, multi-cultural small and medium-scale productions**

Measures and Plans

II. Expand global viewership of domestic films: Provide strategic guidance on the marketing and promotion of domestic films in Mandarin-speaking areas

- (1) Increase guidance on the marketing and promotion of domestically produced films at home and abroad.**
- (2) Transform the Golden Horse Awards into the most important accolades for Mandarin films worldwide.**
- (3) Expand presence in the mainland market through the relaxation of laws and regulations (including those on the joint production of films) and cross-strait negotiations.**

Measures and Plans

III. Upgrade the film industry: Cultivate gifted individuals in and strengthen the foundations of Taiwan's film industry

- (1) Ensure that the practical arts of film production are passed on.**
- (2) Attract domestic, foreign and mainland Chinese film producers to conduct pre- and post-production work in Taiwan.**
- (3) Encourage domestic film personnel to keep pace with international standards and enhance domestic film productions.**
- (4) Elevate Taiwan's pre- and post-production as well as digitalization standards.**

Anticipated Results

Increased Global Market Share

Expanded Global Viewership

Upgraded Film Industry

Number of Taiwan/mainland China co-produced films

2009: One per year



2014: 10 per year



III. Pop Music Industry Flagship Plan

Goals

Innovation: Encourage originality in production to maintain Taiwan's leading role in the Mandarin pop music market

Leadership: Gain an edge in Japan, South Korea and other areas in Asia in guiding the development of pop music

Visibility: Raise the international profile of Taiwan's pop music industry in advanced nations in Europe and the Americas



Development Strategies and Salient Points

Development Strategies

1. Nurture talented musicians through formal education as well as vocational and practical training to maximize the industry's development potential
2. Encourage and support the holding of domestic pop music performances to enliven the domestic market, and provide assistance in addressing regulatory restrictions hampering development
3. Guide the development and marketing of creative music, and strengthen cross-sectoral integration to increase production value
4. Expand presence in overseas Mandarin-speaking markets, connect with global markets, promote international participation and increase domestic capacity to host international performances

Salient Points

Talent cultivation

Cultural heritage preservation

R&D and promotion

International marketing

Measures and Plans

I. Talent cultivation

- (1) Set up innovation, production and marketing programs for individual musicians and groups.**
- (2) Encourage colleges and universities to offer professional courses on pop music.**
- (3) Promote academia-industry cooperation on pop-music education.**
- (4) Seek to expand technical exchanges and cooperation with foreign professionals.**
- (5) Hold activities aimed at cultivating and promoting the works of multilingual artists.**

Measures and Plans

II. Cultural heritage preservation

- (1) Add award categories to the Golden Melody Awards and hold Golden Melody Music Week activities.**
- (2) Host an Asian indie music award program and develop Taiwan into a leader in indie music.**
- (3) Preserve, archive and exhibit pop music artifacts.**
- (4) Establish a fair environment in which the industry may operate and set out directives concerning the development of digital music.**

Measures and Plans

III. R&D and Promotion

- (1) Subsidize renovations of performance venues and reward box-office blockbusters.**
- (2) Provide directives for holding music-themed tourism events.**
- (3) Encourage cross-sectoral cooperation centered on music.**
- (4) Support the use of innovative marketing strategies.**
- (5) Establish think tanks to research trends in pop music; conduct market research.**

Measures and Plans

IV. International Marketing

- (1) Help musicians attend performers-in-residence programs and international music festivals.**
- (2) Aid professionals to study abroad and participate in major international music award contests.**
- (3) Conduct IPR negotiations with mainland China.**

Anticipated Results

Talent Cultivated

Cultural Heritage Preserved

R&D and Promotion Pursued

International Marketing Successes

- Increased capabilities in pop music creation, production and marketing
- Upgraded industries with cumulative output value over the next five years in excess of NT\$50 billion.
- Job opportunities raised from 1,400 to 2,800 in five years; talented individuals return to Taiwan from abroad.
- Growth in “soft power” and world market share; more recognizable brand names and products
- More well-secured dominance of Mandarin music market, larger number of stars in the music field, and indie music leader.



Proposed Expenditures

Unit: million
NT\$

Project/Year	2010	2011	2012	2013	2014	Total per Industry
TV Content Industry	431	900	1,180	1,280	1,233	5,024
Film Industry	441	1,500	1,500	1,500	1,500	6,441
Pop Music Industry	175	510	485	485	480	2,135
Annual Total	1,047	2,910	3,165	3,265	3,213	13,600

Conclusion

- ❖ Convergence among the TV, film and pop music industries is a trend. As a result, production processes and marketing strategies can no longer be designed around a single product, but must be adaptable to multiple industries and products.
- ❖ The GIO has proposed the aforementioned flagship plans to make the TV content, film and pop music industries more competitive through creativity and strategic thinking, and to increase their output value through convergence. In this way, the cultural and creative industries may grow in both quantitative and qualitative terms, and as a result thrive in a tough global market. They will then play a crucial role in building the nation's soft power across the globe, starting in Mandarin-speaking areas.

For Discussion

Finding ways to effect convergence and resolve issues related to market share, capital inflows and training up large enough numbers of talented individuals are the major issues faced by the TV, film and pop music industries. In seeking solutions to these dilemmas, the GIO proposes the following issues for discussion:

- 1. Convergence: How can the strengths of each of the three industries be combined, and overall production value boosted, by employing digital and internet technology?**
- 2. Market share: How can the longstanding problem of low domestic sales be overcome? And how can industry players best make an entry into the world market?**
- 3. Capital inflows: How can private investment be spurred? And how may the National Development Fund be best utilized toward this end?**
- 4. Personnel: How can the educational system provide the talented people in the numbers needed in an effective and sustainable way?**

Thank you!

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