

©reative Industries Development Strategy



Propelling Singapore's Creative Economy

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Report of the ERC Services Subcommittee
Workgroup on Creative Industries

CONTENT PAGE

Executive Summary	iii
Summary of Recommendations	ix
Chapter 1: The Rise of the Creative Cluster <i>A new opportunity space for Singapore</i>	1
Chapter 2: Singapore – A Global City for Arts and Culture <i>Unleashing the economic potential of arts and cultural activities</i>	9
Chapter 3: Design Singapore <i>Leveraging on design to become Singapore’s new competitive edge</i>	21
Chapter 4: Media 21 <i>Developing Singapore into a vibrant global media city</i>	33
Chapter 5: A National Collaborative Strategy <i>Translating vision into action</i>	50

EXECUTIVE SUMMARY

THE RISE OF THE CREATIVE ECONOMY

Globalisation, technology and competition are changing the global environment rapidly. Singapore must now embark on a journey of reinvention to harness the multi-dimensional creativity of our people to develop a Creative Economy. This would require us to look at how we can fuse arts, business and technology to become Singapore's new competitive advantage.

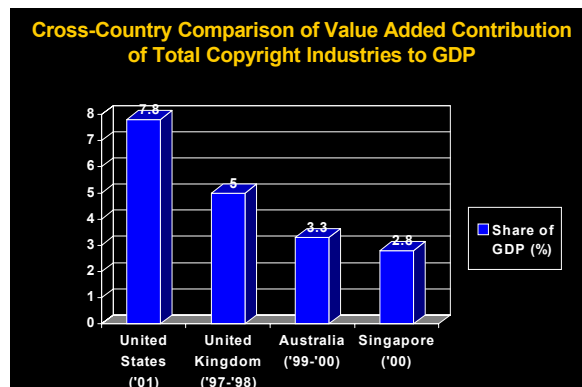
The creative cluster is a key contributor to the Creative Economy and can be defined as "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property"¹. For the purpose of this report, we have categorised the creative industries into three broad groups:

- **Arts and Culture**
 - Performing arts, visual arts, literary arts, photography, crafts, libraries, museums, galleries, archives, auctions, impresarios, heritage sites, performing arts sites, festivals and arts supporting enterprises
- **Design**
 - Advertising, architecture, web and software, graphics, industrial product, fashion, communications, interior and environmental
- **Media**
 - Broadcast (including radio, television and cable), digital media (including software and computer services), film and video, recorded music and publishing

The creative cluster cuts across multiple economic sectors and does not constitute a cohesive or discrete sector in the traditional sense of an industry cluster. Hence, it has not, until recently, been recognised as a cluster in itself, requiring policy co-ordination and investment.

STATE OF THE CREATIVE CLUSTER

The current value of the creative cluster in Singapore has been estimated to be between 2.8% to 3.2% of Gross Domestic Product (GDP). This is lower than US (7.8%), UK (5%) and Australia (3.3%). In all the surveyed countries, the creative cluster is growing at a higher rate than that of the overall economy. Notably, the US and UK growth rates have accelerated to 3 – 5 times that of the overall economy in recent years.



¹ UK Creative Industries Taskforce, *Creative Industries Mapping Document*, November 1998.

In Singapore, the creative cluster employs some 72,000 employees in 8,000 establishments. The value-added of the total copyright industries expanded significantly from \$0.8 billion in 1986 to \$4.8 billion in 2000, representing a compound annual growth rate (CAGR) of 13.4%, as compared to the overall economy's CAGR of 10.6% over the same period. As a result, the economic importance of the copyright industries relative to the whole economy improved from 2.0% of GDP in 1986 to 2.8% in 2000. Employment in the copyright industries also grew at a faster rate than that of the overall economy. Total copyright employment rose from 30,700 in 1986 to 72,200 in 2000, registering a CAGR of 6.3% vis-à-vis 3.8% for the overall economy.

SWOT ANALYSIS

Strengths

- Strong supporting factors such as good IT and telecommunications infrastructure, our reputation as a regional financial hub and stable governance, etc, stand Singapore in good stead to develop our creative industries.
- Being a multi-cultural society with a bilingual policy, Singapore has the potential to target a wide range of language markets
- Our cosmopolitan and well-educated population can serve as a test-bed for innovative products and services
- The Government has already invested more than \$1 billion in developing world-class arts and cultural infrastructure

Weaknesses

- Singapore's limited local market size means that industry growth will have to be driven by an export-driven approach targeting global markets
- The lack of financing options for creative industries limits industry growth
- Lagging investments in software versus hardware have resulted in a shortage of skilled creative manpower and culturally savvy audiences
- The high business costs in Singapore puts off potential investors
- The relatively low level of private sector partnership and sponsorship for arts and cultural events in Singapore limits the growth and vibrancy of our arts and cultural scene
- The perception of Singapore as a highly-regulated place, which is not conducive for creative experimentation, could deter global creative talents and companies from using Singapore as a 'work-live-play' base

Opportunities

- Our proximity to Asia's huge market provides a ready consumer base and access to a vast wealth of creative resources
- Singapore is well-placed to exploit niche areas such as New Asia or Fusion lifestyle and entertainment products and services
- The global media industry is growing rapidly, with a projected annual growth of 5.2% from US\$1 trillion in 2001 to US\$1.4 trillion in 2006
- Cultural tourism is also expected to become an increasingly important source of revenue, with a projected global growth rate of 15% per year

Threats

- There is intensifying international competition to develop the creative cluster as a sustainable engine of growth for the economy
- These competitors will engage in a war for creative talent (and enterprises) with Singapore

VISION

Our vision is to develop a **vibrant and sustainable creative cluster to propel the growth of Singapore's Creative Economy**. The creative cluster not only generates economic value directly, it is also an economy-wide enabler that helps to drive innovation and differentiate our products and services.

Targets for 2012 include:

- **Double % GDP contribution** of the creative cluster from an estimated 3% in 2000 to 6% in 2012; and
- Establish a reputation for Singapore as a **New Asia Creative Hub**.

The industry-specific visions are to develop Singapore into:

- “A **Renaissance City** – a highly innovative and multi-talented global city for arts and culture” [*Renaissance City 2.0*]
- “A **Global Cultural and Business Hub for the Design** of products, content and services, where design consciousness and creativity permeates all aspects of work, home and recreation” [*Design Singapore*]
- “A **Global Media City** with a thriving media ecosystem rooted in Singapore with strong international extensions” [*Media 21*]

STRATEGIC THRUSTS AND KEY RECOMMENDATIONS

Each of the three chapters on Renaissance City 2.0, Design Singapore and Media 21 is a self-contained writeup on the strategies and recommendations that address industry-specific needs. A complete summary of these strategies and recommendations is enclosed on **pg viii**. This executive summary will highlight some of the key recommendations to develop and deploy Singapore's creative and cultural assets.

BUILD CREATIVE CAPABILITIES

- **Embed Arts, Design and Media within All Levels of Education**

To enhance the creative capacity of our people, arts, design and media can be embedded as creative learning tools for all levels of education. For example, drama and literature could be employed to help students enhance their language abilities

while multi-media tools can help students approach science and maths projects in an innovative manner. To this end, Singapore would also need passionate teachers who are skilful in weaving arts, design and media into the education curriculum to help their students learn and think more broadly and creatively.

- **Establish a Flagship Art, Design and Media University Programme²**

To build up Singapore's stock of creative experts, it is recommended that a flagship art, design and media university programme be developed at the proposed NUS-X campus, in collaboration with leading institutions such as the Royal College of Art (London), University of Art and Design (Helsinki), and Pasedena Art Centre (Los Angeles). This new School of Art, Design and Media could differentiate itself by offering a broad-based and research-oriented curriculum.

- **Establish a MediaLab in Singapore**

To nurture multidisciplinary researchers of the highest calibre, it is recommended that Singapore establish a Media Lab with partners such as MIT MediaLab to conduct research on innovative applications, services and devices. Singapore will benefit immensely from the knowledge transfer and collaborative exchanges with global researchers.

STIMULATE SOPHISTICATED DEMAND

- **Government as Catalyst**

It is proposed that the Government play a catalytic role to develop the creative industries by stimulating sophisticated demand. For example, it could support the "Percent-for-the-Arts" scheme (see below) as well as support the use of effective design in its public amenities, services and spaces.

- **Establish a "Percent-for-the-Arts" Scheme to Promote Public Art**

Through the inclusion of artworks in public spaces, we can widen people's exposure to, and appreciation of arts and its relevance in everyday life. It is recommended that Singapore establish a "Percent-for-the-Arts" scheme to promote the development of public art in Singapore. One-North will prototype this scheme, which should eventually be made mandatory for all public sector agencies. Private sector companies could be incentivised through tax exemption, or even double tax deduction, to participate in the scheme.

- **Work with CDCs to Develop "Creative Towns"³**

It is recommended that a 'Creative Town' initiative be piloted with a selected township. The Town will serve as a developmental model for a vibrant, creative, culturally rich, entrepreneurial and technologically savvy community. This prototype can be fine-tuned and, eventually, adopted by the rest of the Community Development Councils (CDCs) to evolve a Creative and Connected Singapore. The

² This proposal could complement the 1998 Report of the Committee to Upgrade LASALLE-SIA and NAFA, which recommended that the two schools be allowed to award NUS degrees in the visual arts at the end of 5 years if they meet the necessary standards as agreed by the Arts Education Council.

³ The Mayors' Committee Meeting endorsed the Creative Town proposal on 19 August 2002. A multi-agency taskforce involving private, public and people sectors is being set up to prototype the Creative Town concept at a selected township.

Creative Town concept should focus on unleashing the latent creativity and passion of individuals by integrating arts, culture, design, business and technology into community planning and revitalisation efforts. Features of a Creative Town could include the “Percent-for-the-Art” Scheme, fusion spaces, entrepreneurship training programmes, creative thinking courses, cultural events and festivals, etc.

▪ **Develop a New Museum of Modern and Contemporary Art**

In the longer term, it is recommended that Singapore develop a Museum of Modern and Contemporary Art (MoMCA) that focuses on showcasing international modern and contemporary modern artworks and design. This would strengthen Singapore’s standing as a global city for arts and culture. MoMCA has the potential to replicate the phenomenal successes of Tate Modern and Guggenheim Bilbao in generating economic spinoffs and tourism dollars.

DEVELOP CREATIVE INDUSTRIES

▪ **Develop Mediapolis @ one-north**

To strengthen and heighten the visibility of Singapore’s efforts in developing our media industry, it is recommended that a state-of-the-art media city be developed at one-north. This Mediapolis will cluster high value-adding media production and R&D activities in a conducive “work, live, play and learn” environment that supports experimentation and multidisciplinary cross-pollination.

▪ **Position Singapore as a Media Exchange**

The development of Singapore into a financing and trading exchange hub for media will enable us to gain a strategic foothold into the creation, acquisition and exploitation of media copyrights. There would also be economic spinoffs benefiting our local media industry (production and post-production) and other sectors of the economy such as hospitality, finance and law. Specific proposals include:

- (i) Introduce tax incentives for investments in core media copyrights;
- (ii) Co-establish a Media Loan Fund with private companies;
- (iii) Attract venture capitalists and media finance companies;
- (iv) Establish a registry of media copyrights; and
- (v) Grow media markets@Singapore

▪ **Export Made-by-Singapore content**

Singapore’s content development efforts have traditionally been constrained by a small domestic market. It is recommended that additional emphasis be placed on developing content for export through collaborations with foreign talent and partners. This can leverage on a Content Development Fund and be supported by initiatives to increase bilateral co-production agreements and enhance export promotion. Niche areas must be identified to capitalise on Singapore’s strengths in multi-lingual content, education, business, finance and IT. Professional talent across the value chain must be augmented to meet worldclass standards.

▪ **Establish a National Design Council**

Design has emerged as a key driver of enterprise and national competitiveness. To enable Singapore to create new value through design, there is a need for a central organisation at the national level to champion the design cluster and synergise the

activities and concerns of the various players. It is recommended that a national agency for design be set up with representation at the highest level for industry, the design community, education institutions and the public sector. Such an agency would also allow Singapore to tap into the international design network, which comprises other national design councils and organisations. This agency would therefore be positioned to (a) forge links as the one-stop contact for design locally and internationally; (b) nurture the local design industry; and (c) champion design excellence in Singapore.

▪ **Promote Arts and Cultural Entrepreneurship**

In order to unleash the economic value of our arts and cultural resources, it is recommended that we promote arts and cultural entrepreneurship in the following areas:

- Promote Information as Business in Singapore by helping to develop the research and publishing competencies of local information enterprises
- Global Knowledge Concierge Service
- Art, heritage and library consultancy services
- Cultural tourism in Singapore and the region
- Development of creative industries such as design, recording music, publishing, and arts supporting industries etc.
- Merchandising capitalising on Singapore's wealth of heritage resources

A NATIONAL COLLABORATIVE APPROACH

To develop Singapore's creative cluster, a national concerted approach must be adopted to involve all players with vested interests. This would include stakeholders in the private, public and people sectors. MITA could be tasked to spearhead the co-ordination and development of the creative cluster, whilst garnering support from other stakeholders in a Singapore Inc. manner.

SUMMARY OF RECOMMENDATIONS

RENAISSANCE CITY 2.0

Strategy 1: Build Creative Capabilities	
1.1	Embed Arts, Design and Media within All Levels of Education
1.2	Establish a Flagship Art, Design and Media University Programme
Strategy 2: Stimulate Sophisticated Demand	
2.1	Establish a “Percent-for-the-Arts” Scheme to Promote Public Art
2.2	Develop Fusion Library Space for the People
2.3	Work with CDCs to Develop “Creative Towns”
2.4	Develop a Virtual Cultural Resource Network
2.5	Transform Singapore Art Series into Singapore Biennale to Enhance Singapore’s International Profile
2.6	Develop a New Museum of Modern and Contemporary Art
Strategy 3: Develop Creative Industries	
3.1	Promote Arts and Cultural Entrepreneurship <ul style="list-style-type: none"> - MITA agencies to work with Singapore Tourism Board to develop cultural tourism - National Arts Council to develop arts and design industries - National Heritage Board to exploit Singapore’s wealth of heritage resources to go into merchandising and arts and heritage consultancy - National Library Board to venture into global knowledge concierge service, develop the information services sector and provide library consultancy services

DESIGN SINGAPORE

Strategy 1: Integrate Design in Enterprise	
1.1	Identify and Develop Iconic Singapore products and Services
1.2	Promote Design in the Public Sector
1.3	Raise Business Awareness of Design Excellence
1.4	Facilitate Use of Design by Businesses
Strategy 2: Develop a Vibrant & Professional Design Community	
2.1	Establish a Flagship University Program in Art, Media and Design
2.2	Enhance Design Education in Secondary Schools, Polytechnics & Arts Schools
2.3	Establish Design Testbeds
2.4	Enhance Professional Standing of Designers
Strategy 3: Position Singapore as a Global Design Hub	
3.1	Establish a National Design Council
3.2	Anchor International Design Companies and Activities in Singapore
3.3	A National Marketing and Branding Strategy
Strategy 4: Foster a Design Culture & Awareness	
4.1	Embed Design in All Levels of Education
4.2	Bring Design Everywhere
4.3	Design in the Mass Media

MEDIA 21

Strategy 1: Develop a Media City in Singapore	
1.1	Develop Mediapolis @ One North
1.2	Enhance Applied Research in Digital Media
1.3	Specialise in Digital Post-Production
1.4	Expedite National Deployment of Digital Media Services
Strategy 2: Position Singapore as a Media Exchange	
2.1	Introduce Tax Incentives to Attract Media Investments
2.2	Establish a Loan Fund for Copyrighted Media Materials
2.3	Attract Media Finance Companies and VCs
2.4	Create and Manage a Registry of Media Copyrights
2.5	Grow Media Markets @ Singapore
Strategy 3: Export Made-by-Singapore Content	
3.1	Establish a Content Development Fund
3.2	Develop Niche Genres
3.3	Increase Bilateral Co-Production Agreements
3.4	Increase Exports Promotion
Strategy 4: Augment the Media Talent Pool	
4.1	Establish a Media Academy
4.2	Enhance Specialist Skills
4.3	Create Opportunities for Exposure to World's Best
4.4	Embed Media Training into School Curricula
4.5	Enhance Knowledge of Intellectual Property Rights
Strategy 5: Foster a Conducive Regulatory Environment and Culture	
5.1	Ensure Policies and Procedures meet International Best Practices
5.2	Ensure Regulatory Consistency and Clarity
5.3	Facilitate a Production-Friendly Environment
5.4	Encourage Industry Responsibility and Responsiveness
5.5	Increase Public Education and Empowerment

A NATIONAL COLLABORATIVE STRATEGY

The national strategy to develop the creative cluster will involve partners in the private, public and people sectors to:

- Raise awareness of the economic potential of the creative cluster;
- Define and measure the economic impact of the creative cluster in Singapore;
- Research on key issues and challenges;
- Formulate, promote and implement policies and programmes in a holistic manner; and
- Promote dialogue and exchange among stakeholders and industry players within and beyond Singapore.