

Public Consultation on Infocomm Media Masterplan 2025

Introduction

The infocomm and media (“**ICM**”) sectors form an integral part of the Singapore economy. While much effort has been made to develop the ICM sectors over the years, the Government needs new ideas to tap on the opportunities that the ICM landscape in Singapore presents. Needless to say, the rapid technological advances in recent years that include the prevalence of high-speed connectivity, widespread use of mobile consumer devices and services, and digitisation of ICM content have blurred the once distinct lines between the infocomm and media sectors. This increasingly converged ICM environment affects not only the two sectors but other sectors as well. It is thus an exciting time for the industry as ICM creates new business models while disrupting old ones, and holds great potential to transform the economy and competitive landscape while presenting challenges for the future. What is particularly exciting about the new Masterplan for the ICM sector is the fact that an all-inclusive pervasive approach has been taken, and critical issues relating to manpower development and ascertaining a business environment for the SMEs amongst others has been proposed. Opportunities do abound, but care must also be taken legally as steps forward are taken.

Goal of the Masterplan

The goal of the Masterplan is to establish Singapore as a Smart Nation that leads the world in tapping the potential of ICM, and that nurtures Innovative Talent and Enterprises. Through this, the ICM sectors will be instrumental in bringing about economic growth and social cohesion, and better living for our people.

The New Masterplan

In its continued efforts to grow and transform the ICM sector, the Ministry of Communications and Information formed a Steering Committee, the Infocomm Media Masterplan Steering Committee, to lead the development of an integrated masterplan that sets the vision for the ICM sectors until 2025 (“**Masterplan**”). To this end, the Steering Committee has put forth preliminary ideas for the Masterplan, as captured in a consultation document that it issued on 30 March 2014. The ideas in the consultation

document for the new Masterplan builds upon the previous infocomm and media masterplans – the Intelligent Nation 2015 (“iN2015”) and Singapore Media Fusion Plan - by focusing on the key pillars of infrastructure development, talent development, industry development and economic / social transformation through ICM.

Strategies

The key ideas put out by the Steering Committee address five broad strategies, which are briefly discussed here:

Strategy 1: Establish agile, pervasive and trusted ICM infrastructure

To maximise the use of Singapore’s current infrastructure and meet future demands for bandwidth and connectivity, the Steering Committee has proposed:

- creating a **Heterogeneous Network** to provide seamless transitions to the best available network in range, while maintaining a consistent quality of experience for users;
- deploying outdoor sensors with **Above Ground Boxes**, which will act as key aggregation points for fibre access and power needs, thus providing high-speed backhaul connectivity;
- positioning Singapore as a **Digital Harbour** to anchor, process and distribute premium digital content; and
- building a trusted **Data Marketplace** where private and public sector datasets are available to help generate new applications, products and services.

Strategy 2: Build vibrant, strategic and enabled ICM sectors

To grow Singapore’s ICM sectors, the Steering Committee is exploring ways to help new players enter the market. It is also looking into better supporting existing companies. These ideas include:

- creating a **Self-Sustaining Start-up Ecosystem**, where Singapore-based ICM start-ups can tap on the expertise, international connections and capital of a wide network of private investors; and
- building local ICM players’ capabilities to provide a **Media Service for Next Generation Seniors** to enhance their social interaction.

Strategy 3: Grow and retain passionate ICM human capital with required skills

To excite students and attract more young people into the ICM sectors and to ensure quality jobs for Singaporeans, the Steering Committee is considering:

- inculcating an early interest in ICM and innovation by introducing **Computational Thinking** to young people; and
- facilitating **Open and Accelerated Professional Development** by providing an online learning portal where young ICM professionals can acquire new skills and find new job opportunities. This will create more avenues for learning through work attachments, as well as alternatives for professionals in Small and Medium Enterprises (SMEs) to pursue a degree.

Strategy 4: Enable people and businesses to harness the power of ICM

The Steering Committee is also exploring new ways for ICM to empower other sectors, such as healthcare, logistics and the community. These include:

- providing convenient and easy access to healthcare through **Smart Health-Assist**, which uses sensors to monitor an individual's health conditions and alert healthcare providers when needed;
- increasing productivity in the logistics sector via **Urban Logistics**, which coordinates delivery schedules and resource sharing to achieve collaborative distribution; and
- rekindling our "kampung spirit" through social projects such as **Community Time Exchange**, an ICM-enabled platform that uses ICM to allow people trade services.

Strategy 5: Build an R&D Ecosystem that supports ICM innovation and connection

To realise greater socio-economic value from ICM Research and Development (R&D), the Steering Committee is looking at:

- establishing a **Fast and Affordable IP Licensing Framework** to encourage a smoother flow of IPs into the ecosystem for government-funded R&D; and

- enhancing Market Demand for ICM Technologies and making it easier to translate ICM-related R&D.

Commentary and Issues to Consider

As a clear sign of the pervasiveness of the ICM sector in Singapore, the Masterplan will focus on the key pillars of infrastructure development, talent development, industry development and economic / social transformation through ICM. The telecommunications and technology issues that flow from the Masterplan are somewhat obvious and yet not to be taken for granted. Importantly, the Masterplan will see new industries proliferating whilst existing industries boost and improve on capabilities. We discuss only some of these issues in the paragraphs that follow and would be happy to engage in further discussions with you.

Development of Heterogeneous Network

Having established Singapore's nationwide fibre broadband network ("Next Gen NBN") as part of the previous iN2015 masterplan, the new proposal to develop a Heterogeneous Network to allow consumers to automatically switch to the best available network while maintaining a consistent quality of service, is another bold and revolutionary initiative. In the wake of several large-scale telco network outages last year, consumers have been calling for the government to put in a place a national roaming system to allow subscribers to switch between different service providers' networks in the event of an outage. This proposal could be a step in this direction, although it is not clear from the consultation document whether the proposal involves switching between different telcos' networks or switching between different types of networks (e.g. wi-fi and cellular) controlled by the same telco. While there would be significant technology and commercial challenges to be resolved either way, the commercial aspects become more complex and critical if the intention is to allow switching between different telcos' networks. Amongst others, the commercial framework in this case must consider how to incentivise the telcos to invest in their own networks when it is to be shared with their competitors, as well as the form of compensation between telcos for the use of the each other's networks. As with the Next Gen NBN, the Government would need to play a central role in facilitating the nationwide rollout of a Heterogeneous Network from both a financial and regulatory perspective

Financing Structures

Another novel proposal relates to the development of a trusted equity crowdfunding hub to bring together promising start ups and savvy private investors. Equity crowdfunding, which allows investors to invest in entrepreneurial companies in return for shares, is, as

the consultation document highlights, a relatively new idea in Asia. In the United States, where equity crowdfunding has taken off, regulations have been introduced under the JOBS (Jumpstart Our Business Startups) Act that specifically cover equity crowdfunding and allow sites to register with the Securities and Exchange Commission. The regulators elsewhere in the world have not caught up. In Singapore, the authorities have yet to clarify if crowdfunding platforms can operate without a licence and whether entities that raise funds through a crowdfunding platform may be deemed to have made a securities offering that requires registering a prospectus with the Monetary Authority of Singapore. The relevant regulatory frameworks must therefore be put in place if this proposal is to achieve its goal of strengthening our ICM sector by increasing the investment avenues available to start-ups in the sector and paving the way for Singapore to position itself as Asia's premier equity crowdfunding hub.

Manpower & Talent Development

The best plans will remain non-starters if there is insufficient talent to see it through in the long term in a sustainable manner. Recognising obvious factors such as Singapore's ageing workforce and small resident population, the consultation paper also notes that there has been poor talent management and a lack of career advancement for personnel in the ICM sectors. Plans are being suggested to address this fundamental issue head-on. Creating a pipeline is obviously critical and to this end even pre-tertiary students are being targeted by building coding and computational thinking into the education process.

As the pipeline is created, career development for such individuals becomes critical. Corporates and HR managers need to start planning ahead and managing such individuals outside of the box. This in itself potentially sees a parallel industry being created.

Creation of Varied Opportunities for the ICM Sector

As the heterogeneous network is developed, there are also plans to promote Singapore as a "Digital Harbour". This potentially means that more data centres will be attracted into Singapore. More importantly, the aim is also to attract premium content companies to grow and develop further content product, dubbing, translation and digital advertising – all very local services, and yet a necessary ancillary.

The consultation paper describes data as the "new oil" of the 21st century, which has the potential to shape economies around the world. Given the potential here, there is a desire to create a data marketplace. This will see the need for standardised guidelines for application interfaces for instance – an area where market participants do want to ensure that appropriate feedback is provided.

One Immediate Limitation

The consultation paper recognises the growing convergence of the ICM environment, and therefore the need for an integrated ICM masterplan to provide a common and complementary strategy for the development of the two sectors. However, the growing convergence also requires corresponding adjustments to the regulatory environment to ensure the application of consistent and compatible rules towards the two sectors. Unfortunately, other than the proposal to simplify intellectual property (IP) licensing process, the document does not discuss any proposed changes to the legislative and regulatory frameworks for the two sectors, nor how the regulatory environment is expected to evolve with their convergence. It would be timely to consider this as part of the next Masterplan as some other jurisdictions have already moved towards a converged regulator and regulatory framework for the two sectors.

The latest consultation paper released by the Ministry of Law pertaining to proposed laws to provide enhanced powers to rights owners seeking to take down illegal file sharing which was released on 7 April 2014, although not directly connected, is certainly a step in the right direction in addressing this area of regulatory reform. We will cover this paper separately and very shortly in an upcoming update. We look forward to the upcoming specific consultation exercises which we expect will further address the new regulatory frameworks which will support the Masterplan.

Concluding Words

Singapore aims to be known globally not only for the innovative and successful application of technologies, but also for the development of new technologies, as well as ensuring that there is the right talent for the same. With a comprehensive and sound Masterplan until 2025 on hand, Singapore will be able to maximise the potential of the ICM industry to benefit its people, and manage the challenges the future brings.

The Steering Committee has called for views and ideas to grow the ICM industry. In this regard, a series of consultations with the industry and the public will be held from April to August 2014. The Committee is also inviting interested members of the public to give feedback on the preliminary ideas outlined above.

As such, in the weeks ahead, it is crucial for clients in the ICM related industries to assess their business case and to specifically consider advocating regulatory reforms that will achieve two key objectives - first, to move the ICM industry as a whole forward, and, secondly, that the policy decisions and subsequent regulatory reforms to enable such industry growth does not negatively impact their specific business models. This will require an analysis of regulatory choices made in other regimes that have recently moved

towards a converged ICM regulatory framework such as the United Kingdom and Australia, as well as long term converged frameworks that have been tried and tested such as the United States of America's Federal Communications Commission's converged regulatory model.

What our clients and ICM stakeholders would want to see is a converged regulatory reform that is enabling and accommodative of new converged modes of communications and content sharing. Laws that clarify cutting edge areas such as rights issues in the monetisation of user generated content, regulations that legitimize and acknowledge multi modal content distribution and consumption channels, regulations that enable the provision of multi-platform communications channels that allow for seamless switching between alternative and competing networks and technologies, competition rules that facilitate all of these being achieved, and an appropriate manpower and talent management to cite just some examples, would only be possible with active, substantive and strategically structured feedback from all stakeholders during the consultation process. We would urge our clients to adopt a pro-active stance in this regard.

If you wish to take part in the various consultation exercises that will be coming in the weeks and months ahead, do let us know and we will be happy to discuss this further with you.

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