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ADB x Netflix

# A Review of Digital Creative Industries in Asia

LUDOVICA DE SANTIS

Do you remember when these were  
**our only options** to enjoy content?



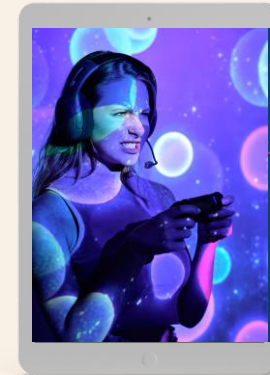
Today games, films and music are at our fingertips: **available anywhere & anytime**



# Creative industries have undergone a profound (r)evolution

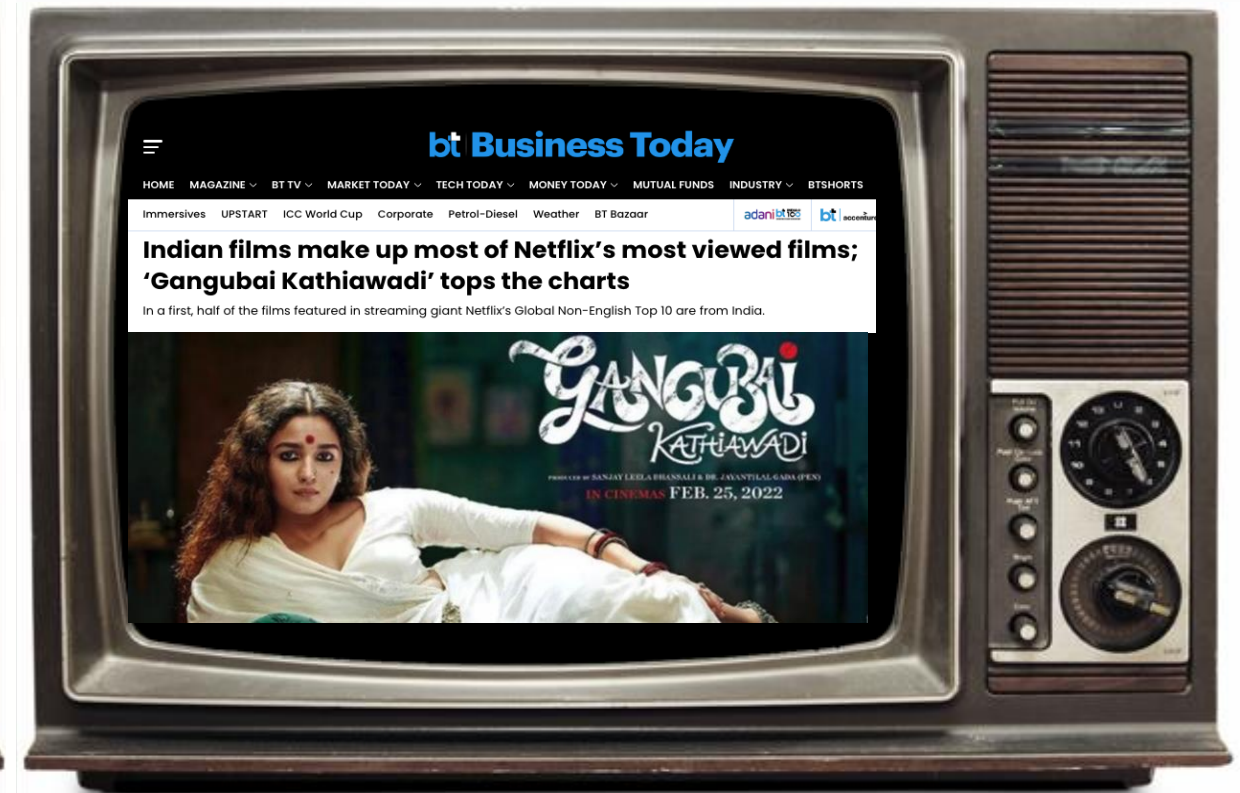


# As screens shrink, possibilities expand



## Did you know that...?

# Asian movies and series are topping global streaming charts



# Screen tourists (over)crowd film locations globally



# Music artists are going on “virtual tours” inside videogames



Travis Scott's "Astronomical" Fortnite concert



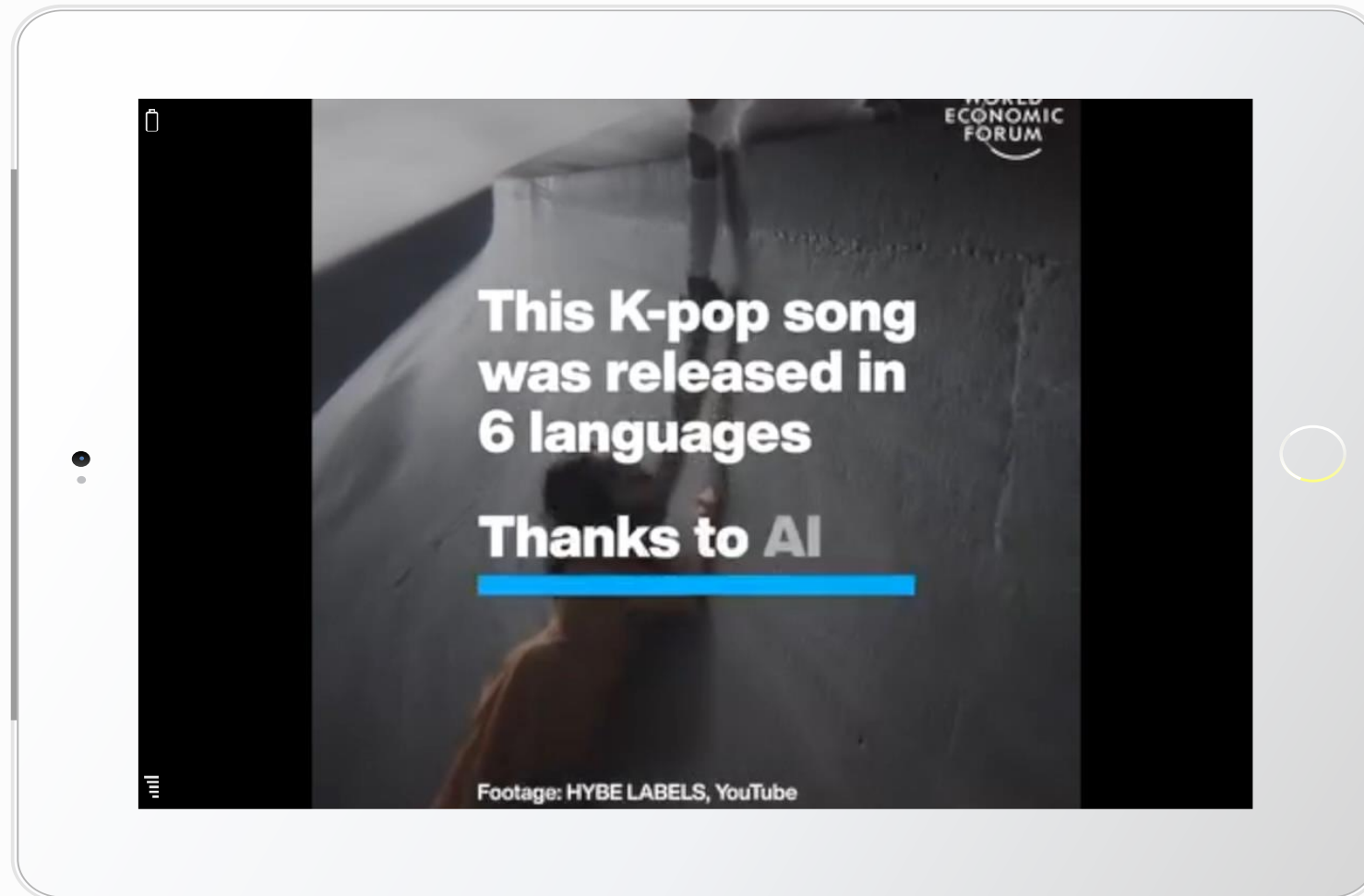
**K-POP band BTS is worth more than \$3.6 billion yearly to the South Korean economy..**



...and is reinforcing the country's **soft power**  
in the international political arena



# A single song was released in **6 languages simultaneously** thanks to AI

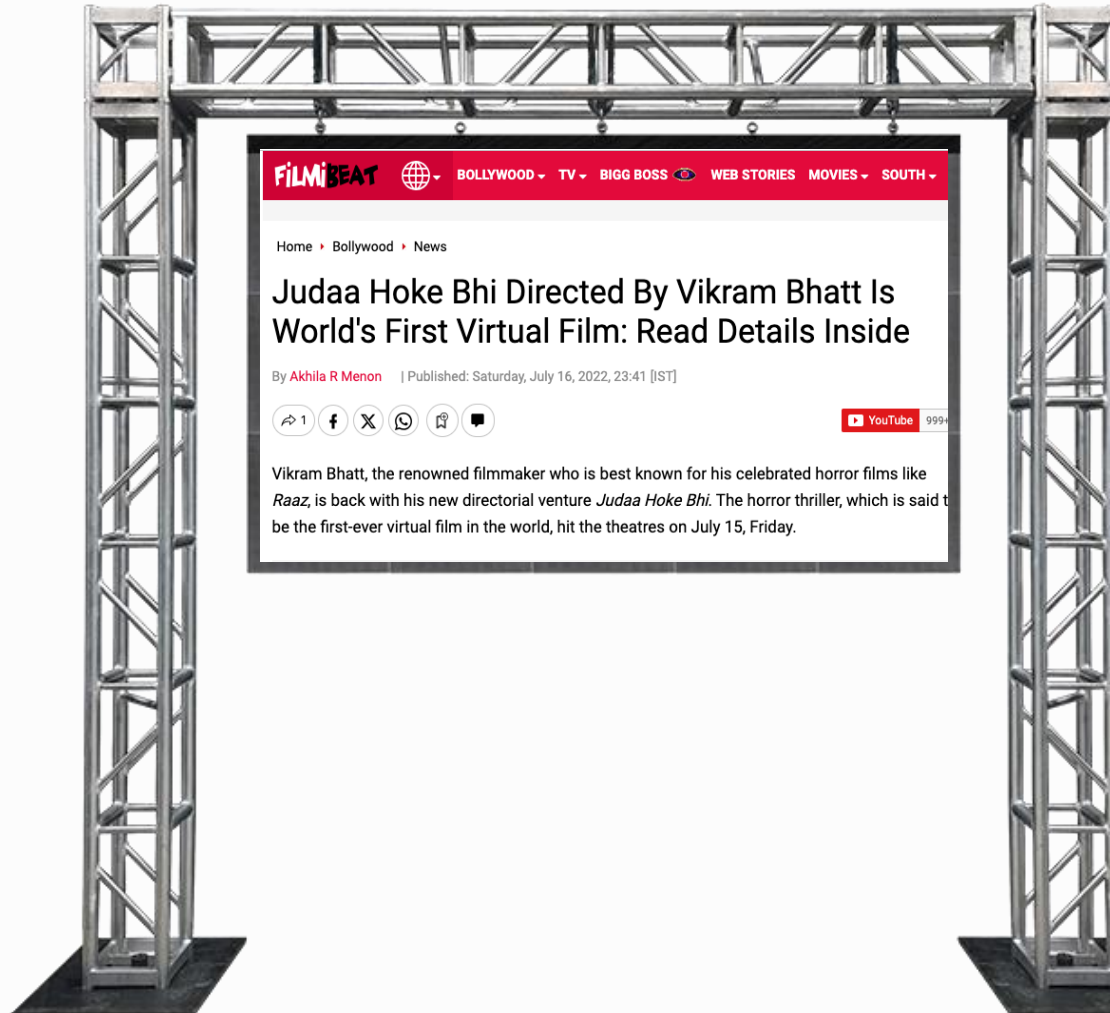


Source: World Economic Forum

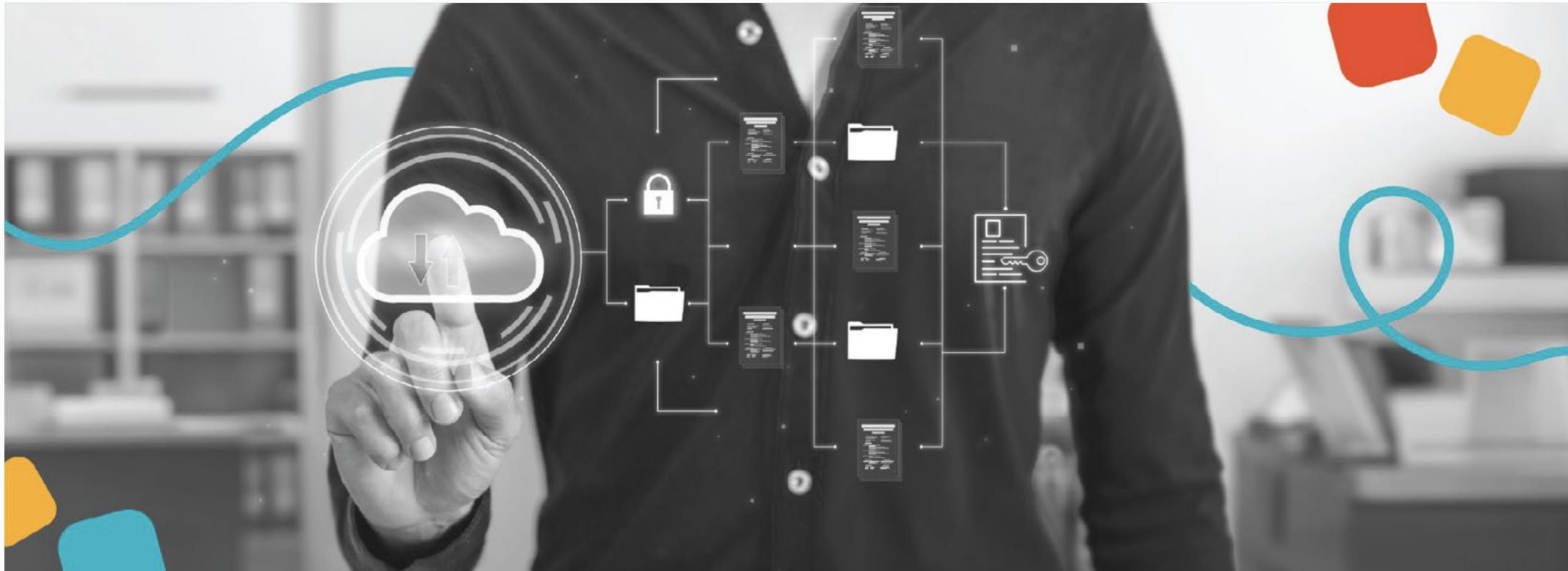
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# India released its first feature film shot entirely in **virtual production**

(No physical sets, no green screens, but  
LED backgrounds and game engines)



# These are **snapshots** of a new era for the creative economy



# New and unprecedented opportunities emerge from the digital transformation of creative industries



## New technologies

Smartphones

Digital payments

Cloud computing

3D tech & VFX

AI /ML & VR/AR



## New distribution models

App economy

Streaming

E-commerce  
and e-stores



## New ways of working

Remote working

Cross-border  
collaboration

Virtual production

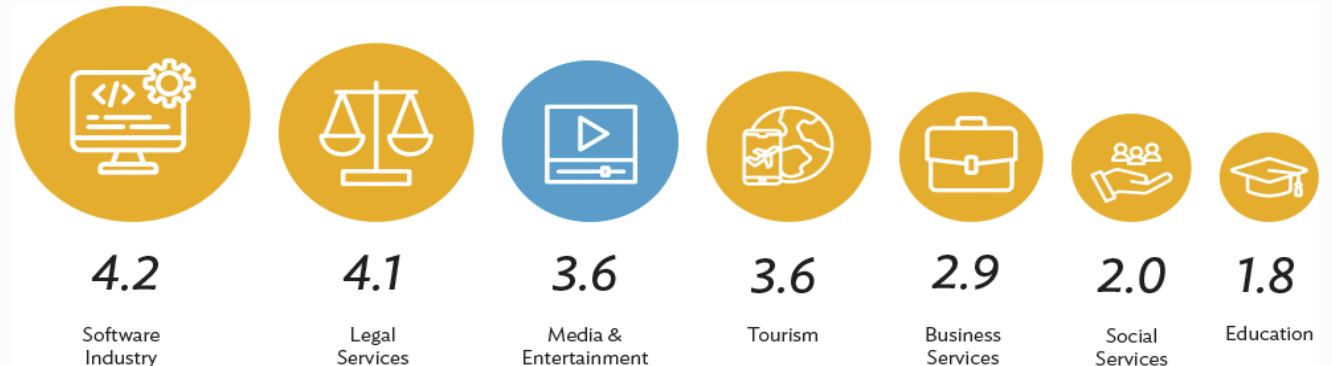


# Not just cinema: digital creatives ride the tech tsunami

## Asia and Pacific growth projections (2024-2028)



## Employment impact multiplier (India)



For each new job created in the M&E industry, **3.6 indirect jobs are created in the economy**

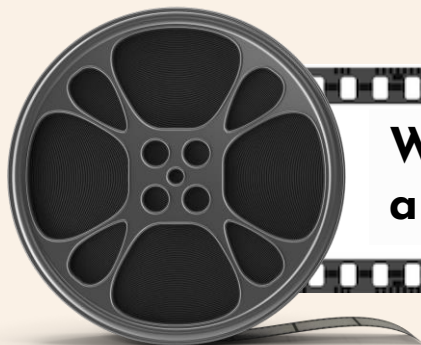
**While everyone wants a bigger slice of the (growing) pie, not many countries are fully prepared to seize the opportunities**





# Our new **ADB study** answers three questions

1



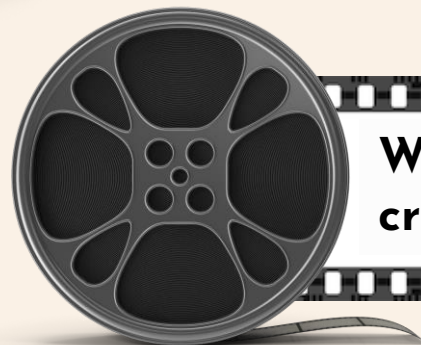
What are the **NEW OPPORTUNITIES** arising from the digital transformation?

2



What are the **BARRIERS TO DEVELOPMENT** that undermine countries' ability to reap the benefits?

3



What **POLICIES** could support digital creative industry development?

# The report is divided in 3 parts (and 7 chapters)



## A REVIEW OF DIGITAL CREATIVE INDUSTRIES IN ASIA

OPPORTUNITIES AND POLICIES TO FOSTER  
GROWTH AND CREATE HIGH-QUALITY JOBS

SEPTEMBER 2024

ASIAN DEVELOPMENT BANK

ADB

### PART I: OPPORTUNITIES

1. **Digital creative industries:** a driver of job creation and socioeconomic development in Asia
2. **Digital transformation:** new opportunities to capture value within the global content value chain

### PART II: BARRIERS TO DEVELOPMENT

3. **Foundations for policy-making:** governance, strategies, data and public-private dialogue
4. **Talent:** skills, education systems and job quality
5. **Regulatory and business environment:** incentives, financial support, content bans and IP protection

### PART III: POLICIES

6. **Best practices:** how creative powerhouses foster growth and job creation in digital creative industries
7. **Conclusions:** key lessons learnt and policy recommendations

# The study focuses on **3 sub-sectors** and **4 countries** as the target of the analysis

## Sector focus



Music



Audiovisual



Gaming

## Geographic focus



India



Indonesia



Thailand



Vietnam

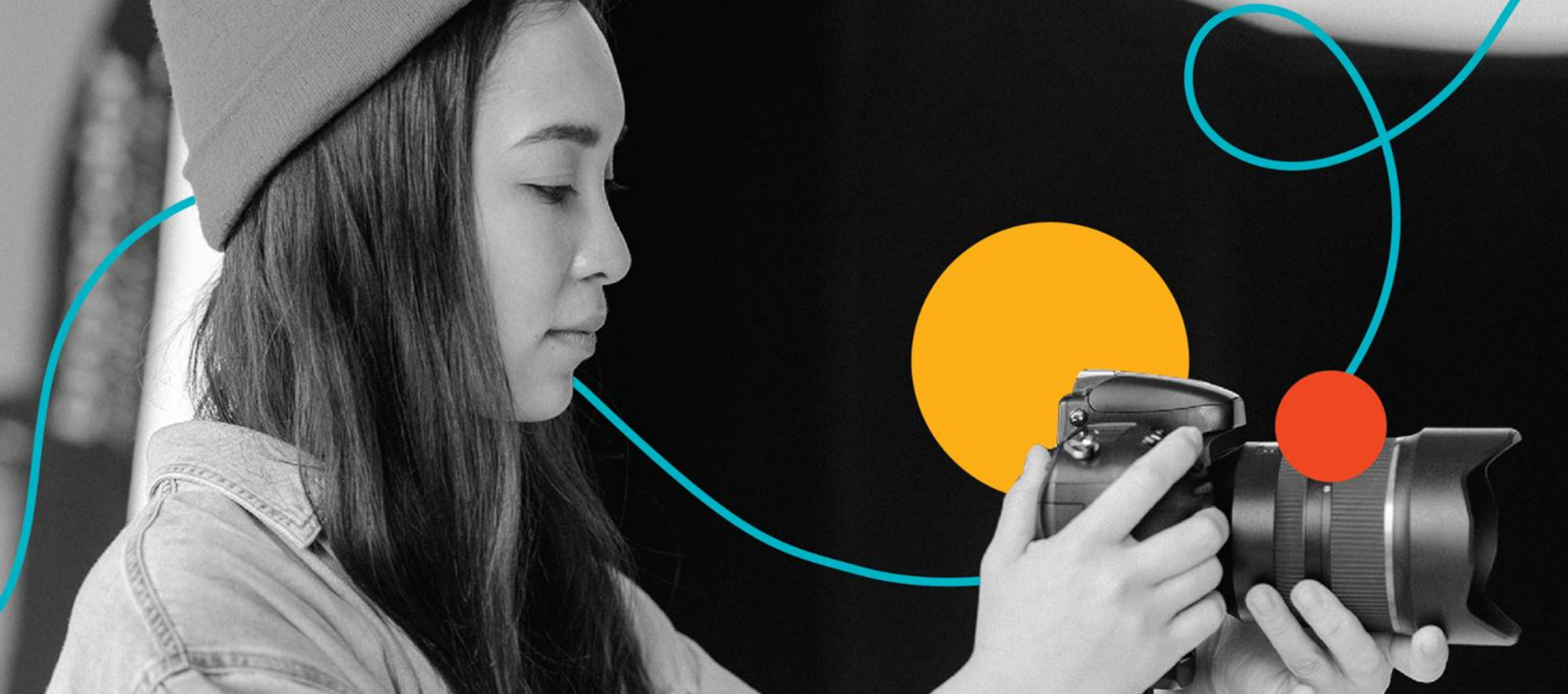
## Methodology



Desk research



44 interviews  
with local  
stakeholders

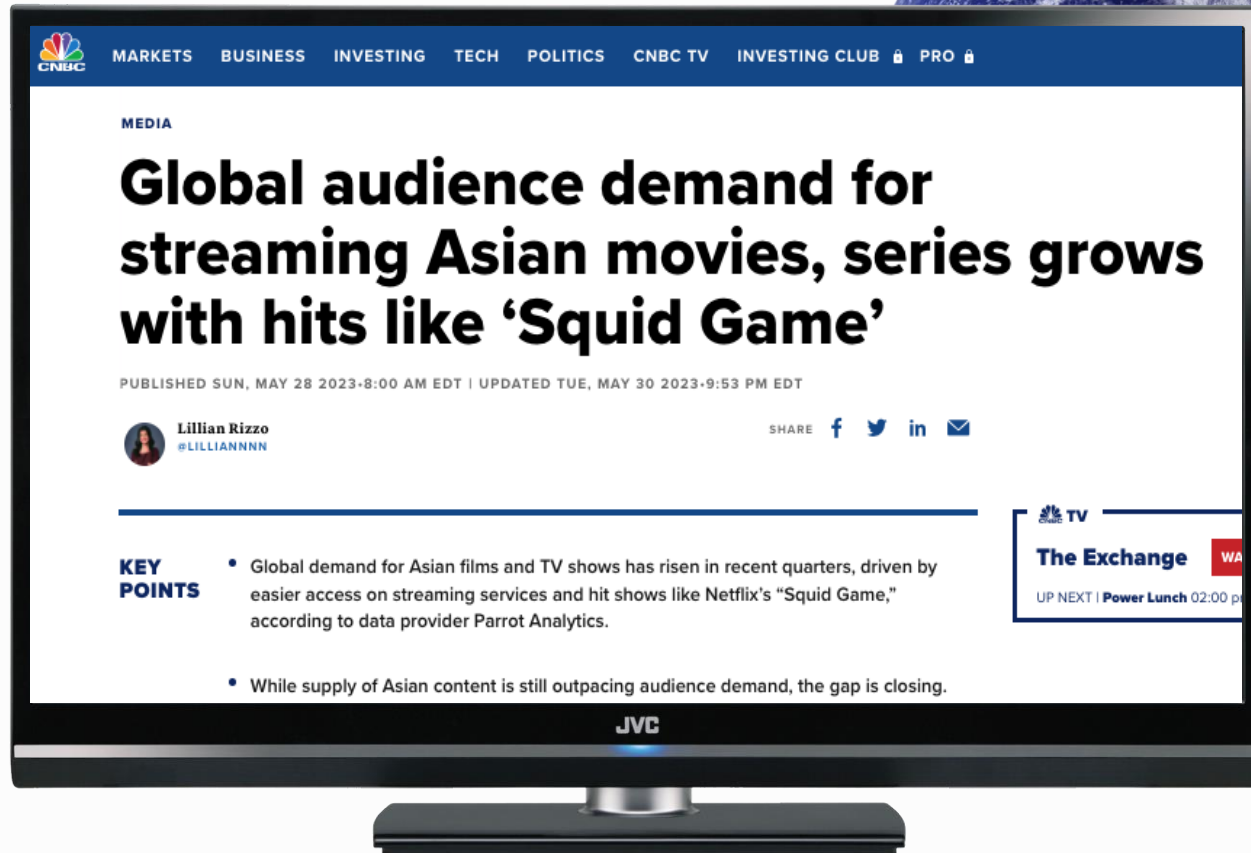


# PART 1: OPPORTUNITIES

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# 1 THE WORLD IS THE LIMIT

Content travels seamlessly across geographies allowing local creators to reach global audiences



“

Streaming platforms made the world a smaller place.

Today, local producers can find their niche audience at global level.

- Ashi Dua, Indian producer

”

# 2

## A SECOND CHANCE

Streaming platforms and e-stores allow creators diversify and increase revenues



In the past, if a movie flopped at the box office, that was the end of it.

# 3

## INVESTMENT MAGNET

Foreign investment and co-production opportunities are increasing, boosting demand for local talent

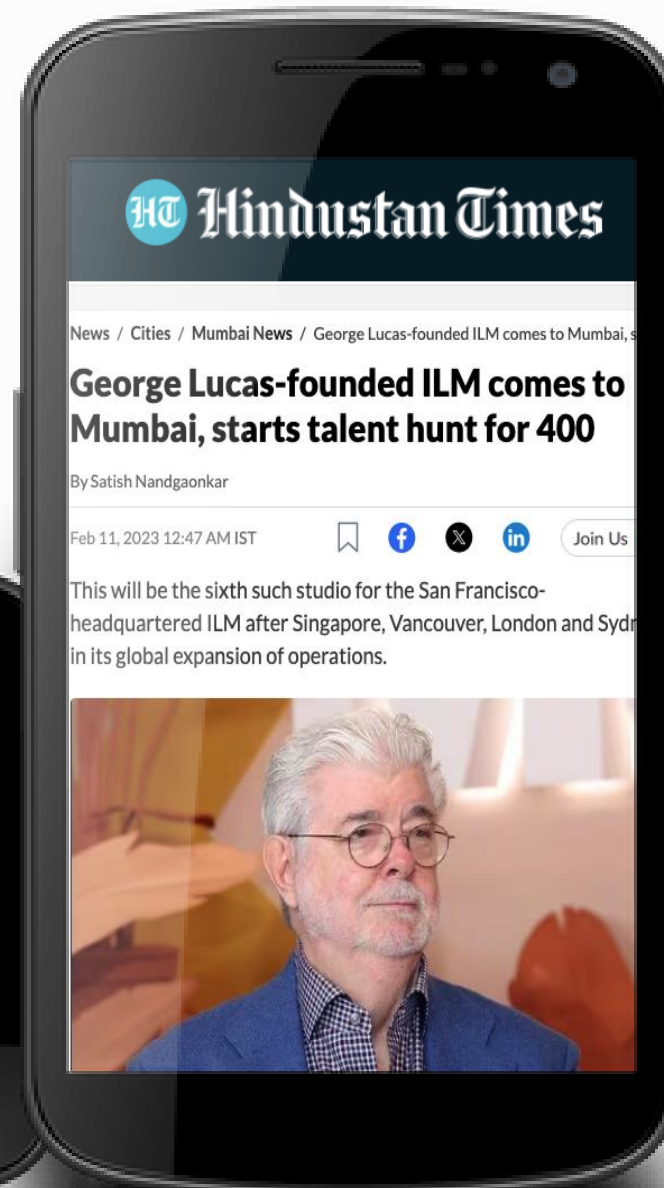


# 4

## OUTSOURCING & OFFSHORING

As value chains unbundle, Asian countries are positioned to be attractive offshoring destinations

In the past years, six global VFX players started operations in India





# 5 NEW JOBS

New jobs emerge as the boundary between the creative and the digital economies dissipates

## Virtual Production Supervisor

oversees real-time VFX efforts, acting as a link between different departments



## AI Artist

uses ML algorithms to create unique pieces of art

## VR Software Engineer

creates new software that allows diverse XR technologies to work together





# PART 2: BARRIERS TO DEVELOPMENT

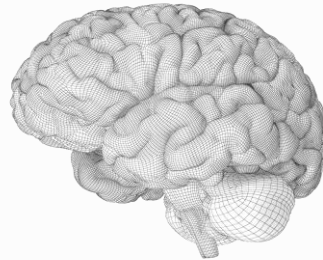
# Research and interviews with local stakeholders identified **3 clusters of barriers**



## **FOUNDATIONS FOR POLICYMAKING**

---

Unclear governance, unavailable data, scarce public-private dialogue



## **TALENT**

---

Skills gaps, talent shortages, failures in education systems and poor job quality



## **REGULATORY & BUSINESS ENVIRONMENT**

---

Lack of financial support, tightening regulation and low IP protection

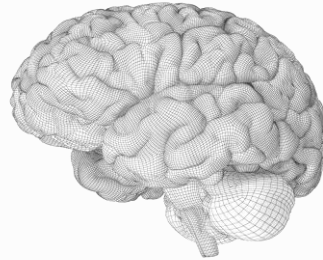
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## **REGULATORY & BUSINESS ENVIRONMENT**

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# Coordination among public entities, public-private dialogue, and data availability have room for improvement

## GOVERNANCE

**Multiple government agencies** are responsible for creative industries, lacking coordination

## STRATEGY DEVELOPMENT

**Governments are developing creative industry strategies**, but they sometimes lack effectiveness



**Lack of accessible industry data** hinders the efficient allocation of resources

**Public-private dialogue is siloed**, making it hard for industry players to advocate for common interests

## DATA AVAILABILITY

## PUBLIC-PRIVATE DIALOGUE

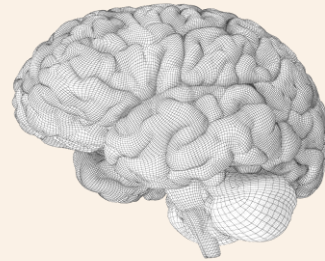
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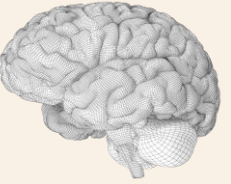


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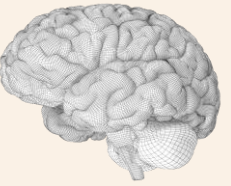
# 1 There is a general skill gap w.r.t. global standards and not enough talent to keep up with sectoral growth



Roles in highest demand and shortest supply in audiovisual and gaming



# 2 Education institutions struggle to keep the pace and provide the high specialization required



Key issues according to local industry insiders

Not enough university courses

Little academic-business dialogue

Outdated curricula

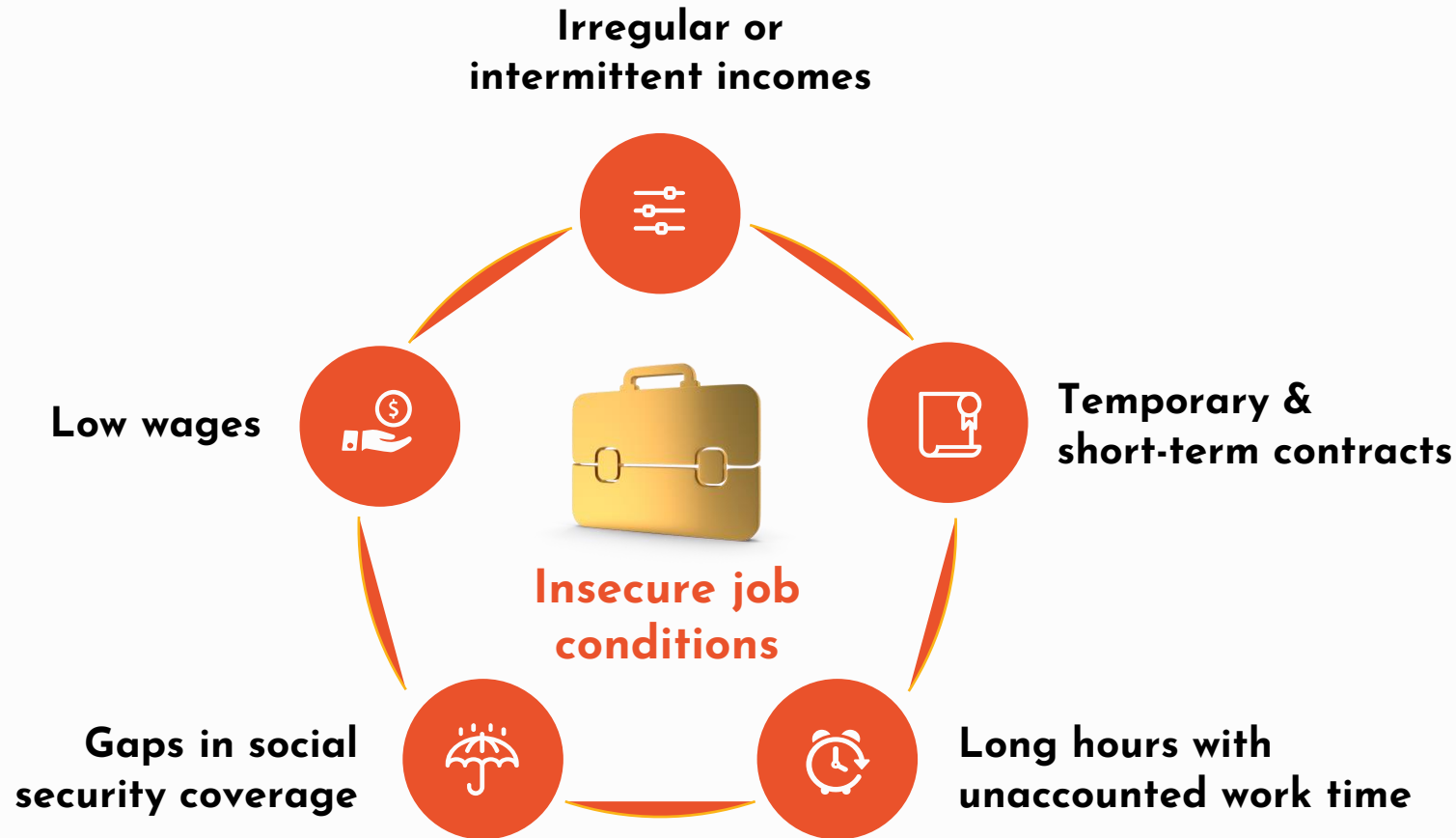
Too focused on theory

Lack of specialization





### 3 Low wages, long working hours, and lack of safety nets hamper the quality of jobs



“

Many productions in Vietnam require workers to be available for 16-18 hours per day, with one day of weekly rest.

- Hang Trinh  
CEO of Skyline Media  
(Vietnam)

”

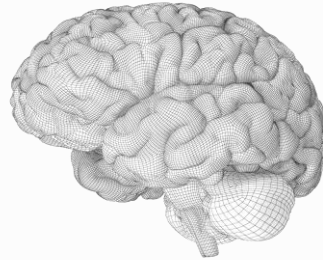
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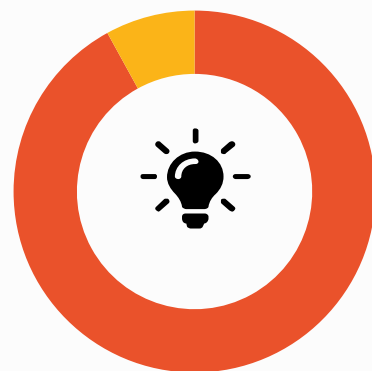
# 1 Funding availability and access to credit are an issue for most local players

## Key issues in Indonesia



67%

of game designers regard the lack of funds as an issue



92%

of creative economy entrepreneurs recur to self-financing



There are **no government subsidies**, and no financial institution has a mandate to lend money to the sector.

Most movies are funded through **producers' own capital**. Some people use personal property as collateral and end up **losing everything**.

- Nitin Tej Ahuja, CEO of Producers Guild of India



## 2 Strict government control, legal bottlenecks and weak IP laws increase regulatory uncertainty



### Key issues according to local industry insiders

We hope that the government will not become **too controlling**, otherwise it could **hinder the creativity** of the sector. We need to let storytellers tell their stories.

In Vietnam, it takes **3-6 months** to complete investment procedures and many **startups have died** during that time.

**Piracy** is a **global issue**, and it affects everybody in the industry.





# PART 3: POLICIES

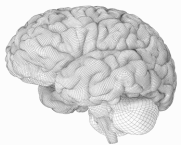
# The study analyzes 7 creative powerhouses to derive **policy best practices**



# The study provides 11 key **policy recommendations**



- 1 GOVERNANCE:** Ensure coordination (and accountability) among public entities involved
- 2 DATA:** Develop a robust data collection framework to tailor policies and measure their impact
- 3 STRATEGY:** Set a clear vision and define actions to reach it
- 4 PUBLIC-PRIVATE DIALOGUE:** Create formal and structured collaboration platforms
- 5 LIFELONG LEARNING & NATIONAL STANDARDS:** Build a continuous training system and occupational standards
- 6 PRIVATE SECTOR-LED TRAINING:** Incentivize business contribution to workforce upskilling, tailoring policies
- 7 AWARENESS:** Increase knowledge of the variety of career opportunities available
- 8 JOB QUALITY:** Create high working standards within creative industries
- 9 INCENTIVES:** Encourage domestic and foreign investment to set the wheel in motion
- 10 FUNDING:** Bridge the financing gap through the creation of structured fundings facilities
- 11 REGULATION:** Design a clear legal framework that protects IP, fosters creative production and attracts investment





## STRATEGY

Set a clear vision and define actions to reach it



Sets a clear, long-term vision for the sector



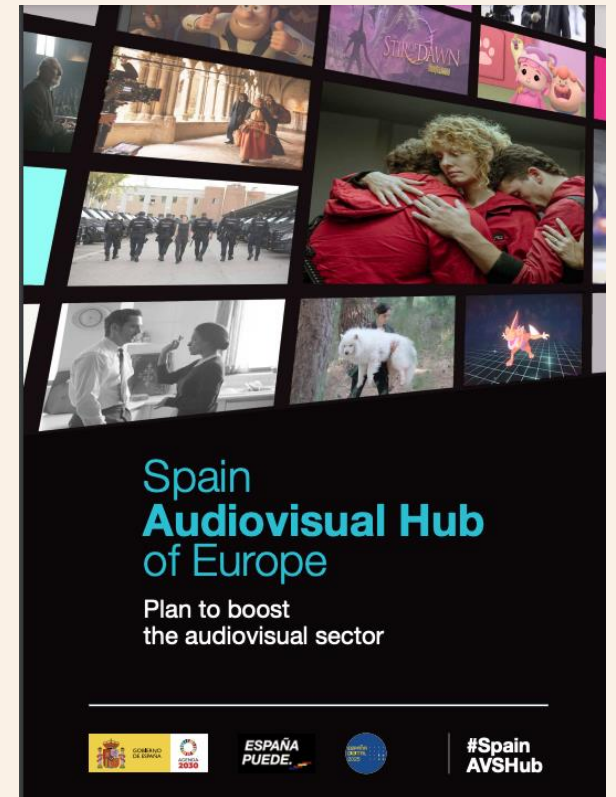
Develops a holistic roadmap with concrete actions to achieve it



Assigns clear roles and responsibilities



Defines KPIs to monitor progress against targets







## DATA

**Develop a robust data collection framework to tailor policies and measure their impact**

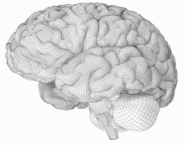
**The UK defines and tracks a wide range of metrics to evaluate progress towards policy goals**

**Official statistics** published by the Department of Culture, Media and Sports

**Strategy monitoring and evaluation framework** to track progress of specific KPIs

**Ad-hoc research and sector reviews** commissioned to other entities





# LIFE-LONG LEARNING

Set policies that focus on continuous learning to keep up with changing standards



Education



Work



Retirement





# PRIVATE SECTOR-LED TRAINING

## Incentivize business contribution to workforce upskilling by tailoring policies



### Content Grants (Media Talent Progression Program)

Type of Content Grants	Funding Amount	KPIs
Long-Form Content Grant - New SG Director	Up to \$300,00 per project	10 SG media talents working / participating in the project
Long-Form Content Grant - SouthEast Asia Co-Production	Up to \$300,00 per project	10 SG media talents working / participating in the project
Long-Form Content Grant - Go-Global	Up to \$600,00 per project	20 SG media talents working / participating in the project
Short-Form Content Grant	Up to \$15,000 per project	2 SG media talents (Director and Producer only)



## FUNDING

Bridge the financing gap through the creation of structured fundings facilities

### Content grants

Non-repayable grants to fund content creation



CANADA  
MEDIA FUND

### Credit guarantees

Guarantees covering a share of the default risk of the loan



### Content value assessments

Third-party analysis of content quality to bridge information asymmetries



**KOCCA**  
KOREA CREATIVE CONTENT AGENCY



## INCENTIVES

**Encourage domestic and foreign investment to set the wheel in motion**

Benefits of production incentives on a country's economy and employment level



**Increase production spending**



**Improve crew mobility and their skill level**



**Boost employment**



**Generate high ROI**



**UK tax reliefs powered unprecedented boom in UK screen industries**

These contributed to reaching the highest ever return on investment to the UK economy of **£13.48 billion GVA** and **219,000 jobs** from the UK's government's tax incentives between 2017-2019.



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THANK YOU

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