

**NCCT107005**

**A Study of Television Programs Made  
by Domestic Production in Taiwan**

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# **Chapter 1 Introduction**

## **I. Background**

On the 27th December, 2016, "Regulations on Terrestrial TV Business Broadcasting Domestically-produced Programs" and "Regulations on Satellite Broadcasting Program Supplier Broadcasting Domestically-Produced Programs." were promulgated in Taiwan. Half a year after these two regulations went into effect, it was founded that some broadcasters do not meet the legal requirement. In order to improve the policies on domestically-produced broadcasting programs in Taiwan, it is necessary to examine existing regulations in both Taiwan and abroad to fully understand domestic media market and how television industry spread the culture of the country through dissemination of information. The conclusion of this study can serve as a reference for development of policies and regulations.

## **II. Methodology**

This study puts forward suggestions on the domestically-produced broadcasting program policies directed from review of foreign literature, investigation and analysis of regulation implementation, a survey on the

public's opinion on domestically-produced broadcasting programs and focus group discussions.

## **1. Literature Review**

Some countries were selected in order to analyze their regulation and policy on domestically-produced programs. These countries include the US, the UK, France, EU, Canada, Japan, Korea, Australia, China, Thailand, Malaysia and Singapore.

## **2. Comparative Research**

Based on the information from previous literature review, a comparative analysis was conducted in this study in order to understand the trend in policy on domestically-produced programs in selected countries.

## **3. Textual Analysis and Ratings Investigation**

This study analyzes the implementation of the two regulations nearly one year (2017/1/8-2017/12/31) after they went into effect. The TV broadcasters' policies on four categories (children, variety, drama and movie) of domestically-produced programs are examined on the channels of terrestrial TV, cable system, MOD platform, and domestic satellite TV.

**Table 1-1 Chosen channels**

Category of media	Channels
Target Channel A	FTV One, EBC Movie, VideoLand Movie, LS Time Movie, EBC Drama, EBC Mixed, GTV one, Top TV, ELTAD, LTV Movies, LTV Anime
Target Channel B	TTV Main Channel, CTV Mixed , CTS, FTV , PTS , Hakka TV, NextTV Movie, Videoland Drama, GTV Drama, SET Taiwan, SET City, EBC Mixed, TVBS Entertainment, MUCH TV, CTI Entertainment , CTI Mixed, VideoLand Entertainment , VideoLand Mixed, GTV Mixed, GTV Entertainment, MTV Mixed, TOP TV Entertainment, DaAi 1, MOMO Children, EBC Children, SET Drama, Asia Digital Mixed
Target Channel C	TTV Mixed, CTV Classics, CTV Jingcai, CTS Education, VideoLand Jingcai, JET Mixed, rollor, BLTV, WXTV, Hwazan Satellite TV, Cable-Giant CATV Life, EYE TV TRAVEL

Source: This Study

30 channels were selected from above mentioned channels for the analysis of average rating and estimation of their advertising revenue.

#### **4. Questionnaire Survey**

In order to understand the public satisfaction with the quality of the domestically-produced programs and the public opinion on current policy on domestically-produced programs, a telephone survey for those who live in Taiwan and are over 13 years old was conducted.

## **5. Focus Group Discussion**

Focus group discussion with 3 categories of participants: TV broadcast operators, citizen group/content providers/scholars and the representative of the public were held to collect qualitative data. Such categories are set so in order to analyze different perspective of views on domestically-produced programs.

There are five focus discussions for each category. The impacts that the 2 regulations have brought to different levels are analyzed through these discussions.

## **Chapter 2 Literature Review**

### **I. Different approaches adopted to promote the domestically produced programs**

#### 1. Ratio of Broadcasted domestically produced programs:

UK, France, EU, Canada, South Korea, Australia, China, Thailand, and Taiwan have set the minimum ratio for broadcasting domestically-produced programs. In addition, Korea and China limited the ratio of foreign programs by law.

#### 2. Requirement for Different Categories of Broadcasters

UK, France, EU, Canada, Korea, Australia, China, Thailand and Taiwan regulate the domestically-made programs for different TV broadcaster.

More specifically, UK sets different broadcasting proportions of "Made-out-of-London TV programming (MOL) " for different TV broadcasters.

In France, differential ratio of made-in-Europe/France programs is required depending on whether the broadcaster is CSA-licensed. CSA-licensed television services must reserve at least 60% of the total annual

number of film broadcasts and reruns to European works and 40% to original French language works. But any audiovisual service provider that is not CSA-licensed and of which the viewing population exceeds the national TV population by more than 1.5% is still subjected to the previously mentioned rule.

The EU's Audiovisual Media Services Directive (AVMSD) requires national legislation on broadcasting time or budget for European independent works.

In Canada, TV broadcaster owned by the largest multi-station ownership groups must broadcast more than 8 hours of priority Canadian programs during Prime time. For Canadian Terrestrial TV, not less than 55% of programs broadcasted per year shall be domestically-produced. The required ratio for CBC Television is 60%.

South Korea sets differential ratios for terrestrial TV (60%-80%), CATV, satellite TV (40%-70%) and others (20%-50%).

In Australia, there are different restrictions on the proportion of domestically-made programs for terrestrial's main channels and non-main channels. In China, satellite TV are more restricted on the proportion of

domestically-produced programs compared with Cable TV.

Thailand only requires commercial television at the regional and local levels to broadcast domestically-made programs with a certain proportion.

In Taiwan, no less than 50% of dramas broadcasted during prime time viewing shall be domestically-produced; no less than 40% of new broadcasts shall be domestically-produced for terrestrial TVs. No less than 25% of children, drama, variety and movie programs broadcasted during prime time shall be domestically-produced for satellite TVs; for satellite TVs which broadcast only movie programs, no less than 20% of new broadcasts shall be domestically-produced.

### 3. Other Policies On Domestically-made Programs

Most countries provide financial aid through mutual funds, tax reduction or incentive payments, while the United States does not adopt an obvious policy of financial aid. Japan and South Korea both developed certain plans or agencies to promote domestic culture abroad.

## II. Comparison

The following Table 2-1 shows the comparison of policies on domestically-produced programs among different countries/regions.

**Table 2-1 Comparison of Policies by Country**

Country	Regulation on proportion/ broadcast time, new broadcast	Requirements for Different Broadcasters	Mutual Funds	Other Policies to Improve Content of Programs
US	✗	✗	✗	✗
UK	○	○	✗	○
France	○	○	○	○
UN	○	○	✗	○
Canada	○	○	○	○
Japan	✗	✗	✗	○
Korea	○	○	○	○
Australia	○	○	✗	○
Mainland China	○	○	✗	○
Thailand	○	○	○	○
Malaysia	✗	✗	○	✗
Singapore	✗	✗	○	✗
Taiwan	○	○	○	○

Source: This Study

## Chapter 3 Investigation of Implementation

### I. Statistics in Implementation of broadcast

In order to understand the implementation of the two regulations after they went into effect for 1 year (2017.1.8-2017.12.31), various categories of channels and domestically-produced programs are selected to investigate if their program schedules and rating have changed during this time.

Most of Taiwan's TV broadcasters are in compliance with requirements, including the ratio of domestically-produced programs and ratio of new broadcasts. The relevant statistics are as below:

**Table 3-1 Broadcast Hours of Domestically-produced Programs**

Domestically-produced programs	Terrestrial TV				Cable TV				MOD			
	Total Broadcast Hours		New Broadcast Hours		Total Broadcast Hours		New Broadcast Hours		Total Broadcast Hours		New Broadcast Hours	
	1 <sup>st</sup> Half of Year	2 <sup>nd</sup> Half of Year	1 <sup>st</sup> Half of Year	2 <sup>nd</sup> Half of Year	1 <sup>st</sup> Half of Year	2 <sup>nd</sup> Half of Year	1 <sup>st</sup> Half of Year	2 <sup>nd</sup> Half of Year	1 <sup>st</sup> Half of Year	2 <sup>nd</sup> Half of Year	1 <sup>st</sup> Half of Year	2 <sup>nd</sup> Half of Year
Total	1,053	1,025	705	795	4,198	4,590	2,069	2,311	943	1,041	527	525
Children	-	-	-	-	239	249	132	152	112	92	101	53
Drama	1,053	1,025	705	795	1,619	1,649	782	699	346	392	346	383
Variety	-	-	-	-	2,014	2,274	1,073	1,371	415	477	77	76
Movie	-	-	-	-	327	418	82	89	70	81	4	13

Source: This Study

**Table 3-2 Change in Domestically-produced hours for different categories of programs**

Domestically-produced programs	Terrestrial TV		Cable TV		MOD	
	Total Broadcast Hours	New Broadcast Hours	Total Broadcast Hours	New Broadcast Hours	Total Broadcast Hours	New Broadcast Hours
Total	-28	+90	+392	+242	+98	-2
Children	-	-	+10	+20	-20	-48
Drama	-28	+90	+30	-83	+46	+37
Variety	-	-	+260	+298	+62	-1
Movie	-	-	+91	+7	+11	+9

Source: This Study

**Table 3-3 Change in the Ratio of Domestically-produced programs**

Ratio change for 1 <sup>st</sup> , 2 <sup>nd</sup> half year	Terrestrial TV		Cable TV		MOD	
	Broadcast Ratio	New Broadcast Ratio	Broadcast Ratio	New Broadcast Ratio	Broadcast Ratio	New Broadcast Ratio
Total	↑	↑	↑	↑	↑	↓
Children	-	-	↓	↑	↓	↓
Drama	↑	↑	↓	↓	↑	↓
Variety	-	-	↓	↑	→	↓
Movie	-	-	↑	↓	↑	↑

Source: This Study

## **II. Analysis of Domestically-produced programs broadcasted**

### **1. By Channels**

The broadcast hours of drama programs during the Prime time saw a slight drop on terrestrial TV channels, while the new broadcasts hours have increased. The broadcast/new broadcast rate of domestically-

produced drama during Prime time on terrestrial TV channels have both increased.

The broadcast/new broadcast hours of the four categories of programs on cable TV channels' during Prime time have increased. The broadcast/new broadcast rate of the four categories of programs on cable TV channels have increased as well.

The broadcast hours have increased on MODs while the new broadcasts hours have decreased. The rate of broadcast hour have increased on MODs while the rate of new broadcast hour have decreased.

## 2. By Programs

As for the broadcasting of the four categories of programs, in particular broadcasting hours of domestically-produced programs in relation to the foreign programs, we can conclude that:

- (1) Children's programs: The broadcast/new broadcast hours have increased on cable TV channels. The ratio of broadcast has decreased on cable TV channels but the ratio of new broadcast has increased. The broadcast/new broadcast hours have increased on MOD. The ratio of broadcast/new broadcast have decreased on MOD.

(2) Drama programs: The broadcast hours have decreased on terrestrial TV channels but the new broadcast hours have increased. The ratio of broadcast/new broadcast has increased on terrestrial TV channels. The broadcast hours have increased on cable TV channels but the new broadcast hours have decreased. The ratio of broadcast/new broadcast on cable TV have both inclined. The broadcast/new broadcast hours have increased on MODs. The ratio of broadcast has increased but the ratio of new broadcast has decreased on MOD.

(3) Variety programs

The broadcast/new broadcast hours have both increased on cable TV, The broadcast hours have increased but the new broadcast hours have decreased slightly on MOD. The ratio of broadcast has decreased but the ratio of new broadcast has increased on cable TV. The ratio of broadcast has remained but the ratio of new broadcast has decreased on MOD.

(4) Movie programs

The broadcast/new broadcast hours have increased on cable TV and MOD. The ratio of broadcast has increased but the ratio of new broadcast has decreased on cable TV. The ratio of broadcast/new broadcast has increased on MOD.

(5) Main findings

Domestically-produced variety programs accounts for the highest ratio of broadcast hours on cable TV and MODs, while domestically-produced movie programs account for the lowest ratio of broadcast/new broadcast hours on cable TV and MODs.

### III. Rating and Revenue of Advertisement

1. The average rating, total rating, and advertising revenues of each channel are as shown in Table 3-4 to Table 3-6.

**Table 3-4 Rating and Change in Revenues of Advertisement -Terrestrial**

#### TV

Type of TV	Channel	Type of Channel	Broadcasting period	Average Rating in 1 <sup>st</sup> Half of Year	Average Rating in 2 <sup>nd</sup> Half of Year	Change in Average Rating	Overall Rating in 1 <sup>st</sup> Half of Year	Overall Rating in 2 <sup>nd</sup> Half of Year	Change in Overall Rating	Change in Advertising Revenues (NTD)
Terrestrial TV	Channel 1	Mixed	20:00-22:00	0.03	0.03	-	416.34	470.74	54.40	272,000
	Channel 2	Mixed	20:00-22:00	0.79	0.72	-0.07	15,523.03	15,004.69	-518.34	-2,591,700
	Channel 3	Mixed	20:00-22:00	0.76	0.82	0.06	14,617.67	17,470.24	2,852.57	14,262,850
	Channel 4	Mixed	20:00-22:00	0.83	0.81	-0.02	15,849.83	16,120.67	270.84	1,354,200
	Channel 5	Mixed	20:00-22:00	4.32	4.04	-0.28	82,617.17	84,805.06	2,187.89	10,939,450

Source: This Study

**Table 3-5 Rating and Change in Revenue of Advertisement-Cable TV**

Type of TV	Channel	Type of Channel	Broadcasting period	Average Rating in 1 <sup>st</sup> Half of Year	Average Rating in 2 <sup>nd</sup> Half of Year	Change in Average Rating	Overall Rating in 1 <sup>st</sup> Half of Year	Overall Rating in 2 <sup>nd</sup> Half of Year	Change in Overall Rating	Change in Revenue of Advertising (NTD)
CATV	Channel 1	Movie	21:00-23:00	0.29	0.29	-	4,709.77	4,966.80	257.03	1,285,150
	Channel 2	Movie	21:00-23:00	0.29	0.28	-0.01	4,960.38	5,149.65	189.27	946,350
	Channel 3	Movie	21:00-23:00	0.15	0.13	-0.02	2,604.90	2,687.60	82.7	413,500
	Channel 5	Drama	20:00-22:00	0.43	0.35	-0.08	7,514.08	6,429.67	-1,084.41	-5,422,050
	Channel 6	Drama	20:00-22:00	0.23	0.22	-0.01	4,359.98	4,380.99	21.01	105,050
	Channel 7	Drama	20:00-22:00	0.78	0.72	-0.06	14,508.27	14,460.25	-48.02	-240,100
	Channel 8	Mixed	20:00-22:00	0.19	0.16	-0.03	3,135.20	2,967.69	-167.51	-837,550
	Channel 9	Mixed	20:00-22:00	0.19	0.2	0.01	3,512.41	3,967.39	454.98	2,274,900
	Channel 10	Mixed	20:00-22:00	0.19	0.12	-0.07	3,380.62	2,303.00	-1,077.62	-5,388,100
	Channel 11	Mixed	20:00-22:00	2.89	2.55	-0.34	45,110.04	49,974.05	4,864.01	24,320,050
	Channel 12	Mixed	20:00-22:00	0.97	0.78	-0.19	18,438.67	15,761.99	-2,676.68	-13,383,400
	Channel 14	Mixed	20:00-22:00	0.25	0.24	-0.01	4,660.97	4,568.80	-92.17	-460,850
	Channel 15	Mixed	20:00-22:00	0.23	0.26	0.03	4,188.80	5,026.96	838.16	4,190,800
	Channel 16	Mixed	20:00-22:00	0.1	0.16	0.06	1,781.11	3,070.58	1,289.47	6,447,350
Channel 17	Mixed	20:00-22:00	0.2	0.29	0.09	3,686.67	5,800.01	2,113.34	10,566,700	

Channel 18	Mixed	20:00-22:00	0.38	0.48	0.1	6,424.66	8,348.82	1,924.16	9,620,800
Channel 19	Mixed	20:00-22:00	0.18	0.19	0.01	3,169.08	3,641.62	472.54	2,362,700
Channel 20	Mixed	20:00-22:00	0.13	0.13	-	2,249.47	2,562.25	312.78	1,563,900
Channel 21	Mixed	20:00-22:00	0.05	0.04	-0.01	856.8	715.5	-141.3	-706,500
Channel 22	Mixed	20:00-22:00	0.01	0.01	-	176.38	229.89	53.51	267,550
Channel 26	Mixed	20:00-22:00	0.27	0.32	0.05	4,802.07	6,059.31	1,257.24	6,286,200
Channel 29	Children	17:00-19:00	0.32	0.28	-0.04	5,062.62	4,685.36	-377.26	-1,886,300
Channel 30	Children	17:00-19:00	0.53	0.5	-0.03	9,166.58	9,692.98	526.4	2,632,000

Source: This Study

**Table 3-6 Rating and Change in Advertising Revenues - MOD**

Type of TV	Channel	Type of Channel	Broadcasting period	Average Rating in 1 <sup>st</sup> Half of Year	Average Rating in 2 <sup>nd</sup> Half of Year	Change in Average Rating	Overall Rating in 1 <sup>st</sup> Half of Year	Overall Rating in 2 <sup>nd</sup> Half of Year	Change in Overall Rating	Change in Revenue of Advertising (NTD)
MOD	Channel 2	Drama	20:00-22:00	0.14	0.15	0.01	1,555.12	1,981.32	426.20	2,131,000
	Channel 4	Mixed	20:00-22:00	0.23	0.18	-0.05	2,290.29	1,399.36	-890.93	-4,454,650

Source: This Study

## 2. Rating

For most terrestrial TV channels, the average rating have either decreased or remained. But most of other terrestrial TV have grown in gross rating by a range of 2%-20%.

## **Chapter 4 Public Satisfaction Survey**

### **I. Public Viewing and Satisfaction With the Content of Domestically-produced Programs**

People who have watched terrestrial TV, cable TV or MOD in the past 7 days prior to the interview were asked to participate in the survey. Approximately half of the public watch domestically-produced programs. With the majority of them watch variety programs. The second most watched program is drama, followed by movie and children programs.

In general, the public's willingness to watch programs has not changed. For those who have become more willing to watch TV, 24.9% of them indicated that movie domestically-produced program has the highest ratio in terms of viewing interest, while only 14.8% of them expressed desire to watch variety domestically-produced programs. For those who frequently watch children domestically-produced programs, 28.6% of them have increased their frequency of watching children domestically-produced programs compared with the other 3 categories of programs. For those who frequently watch variety domestically-produced programs, 26.1% of them have decreased their frequency of watching variety domestically-produced programs, the drop in the number of viewing is the highest among the 4 categories of programs.

The public satisfaction with quality of domestically-produced programs over the one year period post the implementation of the two regulations reached 70%, with children domestically-produced programs receiving the highest approval rate (84.3%). Variety domestically-produced programs follow closely behind children domestically-produced programs, ranking 2nd highest in terms of approval rate, despite of receiving the highest disapproval rate (15.6%)

The public satisfaction with broadcast number of domestically-produced programs over the one year period post the implementation of the two regulations reached 60%, with children domestically-produced programs receiving the highest approval rate (72.7%) and movie domestically-produced programs receiving the lowest approval rate (63.4%)

The overall public satisfaction with the four categories of domestically-produced programs exceeded 75%, with children programs receiving the highest approval rate (86.5%). There is no significant difference in the other 3 categories of programs in terms of overall satisfaction.

## **II. Public Support for Policy on Domestically-produced Programs**

According to the survey, 92.1% of respondents have no knowledge of the two regulations. However, after the two regulations were explained to the respondents, 83.9% of respondents are supportive of the policy on ratio of

broadcast required for domestically-produced programs, with a higher support among young people, while more elder hold no opinion on the policy or have no knowledge.

As part of the government effort to promote domestically-produced programs, NCC stipulate that from 7 pm to 11 pm, only domestically-produced programs are allowed to publicize their sponsors during broadcast. 74.6% of respondents are supportive of this policy, with a higher support among young people, while more elder hold no opinion on the policy or have no knowledge.

## **Chapter 5 Focus Group Discussion**

From the perspective of the TV broadcast operators, the implementation of the two regulations has no strong effect on those operators who are devoted to domestically-produced programs, since they can easily meet the various required ratios. On the other hand, operators who do not mainly produce content of programs find it difficult to meet the various required ratios.

However, all operators have responded that their freedom of establishing broadcasting policy are overly limited by the various required ratios being calculated every half a year, for the calculation period is too short that they cannot broadcast the programs most beneficial to them. They also have to adjust the number of episode to broadcast, which resulted in a disadvantage in competition. Most operators and experts agreed that it is necessary to prolong the calculation period to one year.

As far as the experts and scholars are concerned, although the quantity of domestically-produced broadcasting programs have increased as a result of the implementation of the two regulations, the quality of programs cannot be ensured. In addition, the phenomenon of digital convergence will be a big issue for the TV industry in the future, and it cannot be resolved by the two regulation.

The selected representative of the public in the focus group discussion are supportive of the two regulations, and they also observed improvement in the quality of the domestically-produced programs. In addition, people in the focus group mentioned that their viewing habits have changed because there are more choices of programs offered by other source other than terrestrial TV and cable TV. It is also important to note that many young participants mentioned that they do not watch domestically-produced programs.

In summary, most participants mentioned audio-visual media market in Taiwan is losing competitiveness. Traditional linear media are affected by the rise of non-linear media. The amount of domestically-produced programs is increased through the two regulations. However, the government should take other approaches to increase the competitiveness of domestic TV industry, such as improving the quality of domestically-produced programs, and selling them abroad.

## Chapter 6 Conclusion and Suggestions

### I. Conclusion

1. In some countries, such as France and Australia, terrestrial TV broadcaster are more restricted in terms of production of domestically-produced programs due to the fact that they occupy public resource (i.e. spectrum). Compare with these countries, the required ratio of broadcast/new broadcast for broadcaster in Taiwan are not strict.
2. Different measures to financially aid domestically-produced programs are adopted in different countries, these measures include establishing of mutual fund, tax preference, government subsidies.
3. In general, most of TV broadcasters are able to meet the legal requirement of ratio of broadcast/new broadcast, which indicates that the two regulations do have positive effect on increasing the quantity of domestically-produced programs and new broadcast programs.
4. In general, the public's willingness to watch programs has not changed. The overall public satisfaction with the four categories of domestically-produced programs exceeded 75%, with children programs receiving the highest approval rate (86.5%). There is no significant difference in the other 3 categories of programs in terms of overall satisfaction.

## 5. Ratio of New Broadcast and Calculation Period

### (1) Ratio of New Broadcast

A micro movie is a category of microcinema which refers to a short/micro film of any category. In recent years, Micro movies have been filmed for much more various purposes rather than advertising, selling products, creativeness purposes and so forth. From the perspective of encouraging domestically-produced movie programs, micro movies can be included in the category of movie programs if the purpose of which is not advertisement-oriented. However, if micro movies should not be included in the category of movie programs, the ratio of broadcast/ new broadcast of domestically-produced movie programs should be reduced.

### (2) Calculation Period of Ratio of Broadcast/New broadcast

Most of the participants in the focus group discussion have mentioned that the calculation period is too short that TV broadcasters cannot broadcast the programs most beneficial to them. Given the current situation of the TV industry, the period of inspection should be revised from half a year to one year.

### (3) Approval of the Current Policy

Expert/ scholars hold the positive opinion of the two regulations, in

particular in terms of spreading Taiwan's culture through broadcasting domestically-produced programs, and increasing the job offer in TV industry. The representative of the public in the focus group discussion are supportive of the two regulations, while pointing out that their viewing habits have changed as well.

## 6. Implementation of the Two Regulations

The broadcast/new broadcast hours on terrestrial TV/cable TV/MOD have increased over the one year period post the implementation of the two regulations. In the 2<sup>nd</sup> half year more broadcasters were able to meet the legal requirement of ratio of broadcast/new broadcast than in the 1<sup>st</sup> half year.

## II. Suggestions

### 1. Standard of Domestically-produced New Broadcast Programs

Evidence indicates that the current standard can improve the cooperation between terrestrial and cable TV broadcasters in producing programs. Therefore, this study suggests that the current standard of domestically-produced new broadcast programs should be maintained<sup>1</sup>.

### 2. The Definition of the Four Categories of Programs

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<sup>1</sup> See Article 7 of Regulations on Terrestrial Television Business Broadcasting Domestically-Produced Programs. Article 5 of Regulations on Satellite Broadcasting Program Supplier Broadcasting Domestically-Produced Programs

In order to improve the diversity and flexibility of the standard of domestically-produced programs, it is suggested to broad the definition of variety program to include life style, quiz and reality TV programs. In addition, some entertainment-oriented talk shows should also be considered variety shows.

### 3. Other Categories of Program, Prime Time, Ratio Requirement and Calculation Period

Animations should be included in the children's category or the movie category, as some animation operators suggest. However, considering the fact that production of animation in Taiwan may not be sufficient<sup>2</sup>, animations should not be categorized into an independent category of program, otherwise it will be difficult for the broadcasters to meet the broadcast requirement broadcast of domestically-produced animation.

According to the survey conducted in this study, 54.9% of the public watch TV between the hours of 8 pm-9 pm. It can be concluded that Prime time set by the current regulations is roughly consistent with the time period which the public tend to watch TV programs, therefore this study suggest that Prime time period should be maintained.

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<sup>2</sup> There are only 26 animations produced in Taiwan from 2011-2015, 17 animations from 2016-2018(August)

Most of the terrestrial TV/cable TV/MOD channels are able to meet the ratios required by the two regulations; only some movie channels do not meet the requirement of ratio of new broadcasts. Therefore, this study suggests that the ratio of new broadcast for the domestically-produced movie programs should be reduced.

As far as the inspection period is concerned, given the current situation of the TV industry, the period of inspection should be revised from half a year to one year.

#### 4. Overseas Channel

In practice, overseas channels are difficult to manage through regulations by Taiwanese government. However, when the overseas broadcasters are not subject to the requirement of broadcast/new broadcast ratio, this creates unfair competition on the market. This study suggests that requirements be established for overseas channel which wants to enter the Taiwan market. They are mandated to contribute a certain percentage of its revenue to mutual fund for the content production.

#### 5. Different Requirement for Cable TV and Terrestrial TV

Cable TV is the main source of viewing for Taiwanese people (60.8% of the public watch cable TV)<sup>3</sup>. Considering the two factors: 1. significance of the protection of cultural value contributed by the policy on domestically-produced programs. 2. Cable TV does not occupy public resource, i.e. spectrum, the requirement of ratio of broadcast/new broadcast for cable TV can be different from that of terrestrial TV. Therefore, this study suggests the current regulation be maintained.

#### 6. Form for Calculating Revenue and Cost of broadcaster

This study proposes a calculation to help generate the data on the broadcast

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<sup>3</sup> See NCC Communications Market Report 2016.

hours, revenue of programs and cost of production. To demonstrate the calculation, data in Table 6-1 and Table 6-2 were created.

**Table 6-1 Broadcast Hours**

	<b>Proportion</b>	<b>Hours</b>
Total Broadcast Hour of the Four Categories of Programs	100%	500
Total Broadcast Hour of the Four Categories of Domestically-produced Programs	25%	125
Total Broadcast Hour of the Four Categories of Foreign Programs	75%	375

Source: This Study

**Table 6-2 Revenues of Programs**

	<b>Revenues/Episode ( 10000 NTD )</b>	<b>Episode</b>	<b>Total Revenue ( 10000 NTD )</b>
Drama	30	30	900
Variety	5	0	0
Children	2	0	0
Movie	—	—	—

Source: This Study

Based on the aforementioned hours and program revenue, the cost of domestically-produced/foreign programs is calculated in the following Table 6-

3 :

**Table 6-3 Calculation of Total Cost**

	Broadcast Hours of Self-produced/ Acquired Programs	Cost of Episode/per hour ( 10000 NTD )	Total Cost ( 10000 NTD )
<b>Cost of Self-produced program</b>			
Drama	30	200	6,000
Variety	0	100	0
Children	0	10	0
Movie	0	—	—
<b>Cost of acquired program</b>			
<b>Domestically-produced program</b>			
Drama	95	30	22,500
Variety	0	5	0
Children	0	2	0
Movie	0	—	—
<b>Non domestically-produced program</b>			
Drama	375	60	22,500
Variety	0	10	0
Children	0	5	0
Movie	0	—	—

Source: This Study

Table 6-4 is an illustration of the breakdown of a broadcaster's revenue

and cost by categories of programs.

**Table 6-4 Statement of Revenue and Cost**

	NTD
<b>Revenue</b>	
Program	
Advertisement	
Others(Copyright, Product etc)	
Total	
<b>Cost</b>	
Production of Programs	
Drama	
Variety	
Children	
Movie	
Acquired Programs	
Domestically-produced Programs	
Foreign Programs	
Others	
Total	
<b>Profit</b>	

Source: This Study

## 7. Recommendation for Revision of Regulation

This study proposes to amend Article 5, paragraphs 2, 3 and 4 of the "Regulations on Satellite Broadcasting Program Supplier Broadcasting Domestically-Produced Programs ". For the second paragraph, the original clause regarding "Movie" should be changed to include animation. As for the third paragraph regarding "variety", the definition should be changed to include life style, quiz and reality. The fourth paragraph regarding "children", the definition should be changed to include animation.

It is also proposed that the provisions of Article 7 of the “Measures for the Administration of Broadcasting of Domestic Self-produced Programs in the Wireless TV Business” from the original “ be amended, specifically the calculation period is to be changed to 1 year from half a year.

In view of the current situation of broadcasting industry in Taiwan, it is essential to improve the quality of domestically-produced new broadcast programs. It is proposed that Taiwanese government refer to the current practice in Canada, in particular Canada Media Fund (CMF), in order that broadcasters can obtain more funding for production of domestically-produced programs.

In terms of development of policy which facilitate the promotion of culture, it is proposed that Taiwanese government refer to the UK and Korea, which focus on developing new categories of programs. In the short term, the government can task Chinese Public Television (公視) with the responsibility of studying and developing new categories of programs. In the long term, the result of such study can serve as the basis of revision of the law.

#### 8. Suggestions for Policy on Funding

The fact that the rate of digitalized cable TV has reached 99.7% in 2018 indicates that “The Cable Radio and Television Development Fund” has completed the task of digitalization of cable TV. This study suggests to discuss

the use of the existing “The Cable Radio and Television Development Fund”, for other purposes such as improving content of domestically-produced programs, subsidizing operators with 4K/8K technology, and offering financial aid for developing 5G technology.

## 9. Recommendation on Overseas Market

### (1) Promote the Sale of Domestically-produced Programs

Referring to the practice in Japan, in particular the policy on "Improvement of infrastructure for overseas expansion of Japanese programs"<sup>4</sup>, Taiwanese government should encourage broadcasters to cooperate with local groups, local governments and operators from other industries to establish output target country and program contents (which may involve regional culture, sightseeing, history, etc.)

### (2) Expand the scope of reward subsidy

This study suggests that any case of Successful expansion to overseas market should be encouraged with reward in the form of subsidy.

### (3) Attract international OTT to set up a branch in Taiwan, in order to facilitate the sales of domestically-programs to other countries through the international OTT audio and video platform.

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<sup>4</sup> Ministry of Internal Affairs and Communications, 2017, 「放送コンテンツ海外展開基盤総合整備事業」

## 10. Recommendation on Improvement of Program Quality

This study suggests that Art. 3. 3.(3) of “2018 Directions for Funding Production of Television Programs be amended”. The current standard to should be changed to “...Extending the effect of the value and increasing the viewing people.” In addition, the opinions of professionals should be considered when establishing the qualifying standards for subsidies of domestically-produced program.