Kuala Lumpur
As a Cultural & Creative City
Foreword by the Prime Minister of Malaysia

Malaysia’s transformation towards becoming a high-income nation must not only include the knowledge economy and digital economy, but should also encompass a reinvigoration of our cultural economy. As Malaysia aims to transform itself from a developing nation to a developed nation, it is paramount that we advance our cultural economy and leverage on its tremendous potential for the benefit of our creative talents in addition to providing spiritual fulfillment for us, the soul of a nation and give meaning to our collective identity. This is Malaysia’s next vital journey.

Over the last few years the government has introduced new policies and mobilised tactical investments to spur creative activities in the country. Today we launch the KL as a Cultural and Creative City report to revitalise our cultural sectors, synergising with the creative industries and propel us further with the aim of positioning KL as an internationally-recognised creative city. The report should serve as a guide for practitioners, stakeholders, and investors to better understand Malaysia’s long-term prospects and medium-term priorities. Our 5-year aim is for us to create more than 125,000 jobs and enable the industries to account for 3% of Kuala Lumpur’s GDP. These efforts will not only benefit Kuala Lumpur communities and projects such as the upcoming development of Bandar Malaysia, TRX, Vision Valley, and River of Life, but also enhance the cultural landscape of the entire country.

I call upon the public stakeholders to work with us in building this vision for our cultural sectors, to review the current policies, regulations, and framework to encourage and catalyse the growth of our arts and culture, and I call upon the private stakeholders to do the same by working with CENDANA to address various gaps in the ecosystem and increase opportunities for our cultural sector. And I call upon the industry, to join in this effort.

Our success as a nation cannot be solely judged by its skyscrapers and highways, but also by its citizen’s sentiments towards their nation, as reflected in the arts. This is an investment for our nation’s heart and soul, promoting culture as our new asset and the government is fully committed.

Y.A.B. DATO’ SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK
PRIME MINISTER OF MALAYSIA
The arts are as much our identity as it is our trade. Today, the global creative economy is growing rapidly and increasingly intersecting with urban development, technology, and tourism, thus putting Malaysia in a strategic position to gain from this robust economy.

In 2016, the Kuala Lumpur cultural and creative industry contributed RM11.2 billion to the country, accounting for over 2% to the Kuala Lumpur economy and with over 86,000 jobs. In developed countries, the cultural and creative economy contributes 3%-6.9% to their nation’s economy. This is the market and potential of which Malaysia can leverage on and optimise to complete Malaysia’s transformation.

The KL as a Cultural and Creative City report is our strategic effort towards claiming a place in this global cultural and creative landscape. Each cultural sector will be vitalised with strategic funding and programmes to meet specific goals over the next five years. The efforts will encompass the following 5 building blocks: (1) Cultural & Creative Education: Create a Creative Workforce, (2) Creative Hubs & Infrastructure, (3) Nurturing The Market, (4) Business Support & Investment, and (5) Creative Place-making: Liveability & Tourism. Kuala Lumpur is earmarked to be developed into an internationally-recognised creative city, which will increase the attractiveness of Kuala Lumpur and its surroundings for tourists, talent, and skilled workers.

With the KL as a Cultural and Creative City report and the establishment of the Cultural Economy Development Agency (CENDANA) working closely with stakeholders in the cultural industries, Malaysia’s future promises to be vibrant.

YBHG. DATUK SERI AHMAD FARID RIDZUAN
CHAIRMAN, CULTURAL ECONOMY DEVELOPMENT AGENCY (CENDANA)

Malaysia’s vibrant arts scene is set for a surge with the KL as a Cultural and Creative City report. We can look forward to strategic and tactical developments in how culture is experienced and how the arts can transform the look and feel of a city like Kuala Lumpur and its surroundings. The Cultural Economy Development Agency (CENDANA) continues to work closely with experts, practitioners, and other stakeholders in the cultural industries to ensure our collective vision of building a vibrant, sustainable, and ambitious cultural economy for Malaysia becomes a reality.

The report outlines a range of opportunities before us and a pathway to achieve success. The next five years will be exciting as we mobilise our assets to develop, promote, and present our cultural assets to wider audiences and thus increasing the value of creative jobs and making our cultural economy far more competitive.

Energise, empower, reorganise. These are CENDANA’s strategic goals, which also aims to facilitate cooperation between the public and private sectors to ensure cultural sectors are amongst priority agendas in development policies and investments. Through strategic partnerships between public and private sectors, more platforms for sustaining cultural activities can be established. Similarly, learning opportunities for arts practitioners can be created as a move to upskill our local talents.

Our gratitude goes to all our partners who have made the KL as a Cultural and Creative City report possible – Hasnah Foundation, Ministry of Communications and Multimedia Malaysia, Yayasan Sime Darby, ThinkCity, MyCreative Ventures, British Council Malaysia, Tom Fleming Creative Consultancy, My Performing Arts Agency, and Frost & Sullivan Malaysia—and also not forgetting the Executive Advisory Committee and the Industry Advisory Panel. Thank you to our stakeholders and to all who have participated in the study and our sincere appreciation also goes to our friends in the media who have always supported arts and culture as well as CENDANA.

Together we can create a collective impact and secure Malaysia’s place on the world’s cultural map. With the KL as a Cultural and Creative City report in our hands, we can confidently move forward with a stronger, well-defined trajectory.

IZAN SATRINA DATO’ MOHD SALLEHUDDIN
FOUNDING CEO, CULTURAL ECONOMY DEVELOPMENT AGENCY (CENDANA)

CENDANA is positioning itself as an umbrella body with enough resources and expertise to reach and improve the cultural sector of the creative economy. With a large and growing amount of data, CENDANA will be able to see the big picture and diagnose the effects of one part of the ecosystem on another, funnelling aid where it is needed. As a government initiative, it is assured of being able to work for a meaningful amount of time. This allows for the initial experimentation needed in beginning this huge undertaking.

CENDANA will act as a connector between creators, regulating bodies, private investors or businesses, policymakers and consumers. To nurture these entities individually so that they are healthy, while keeping an eye on the larger goals and continually refining strategies based on evidence.

Through its efforts, CENDANA aims to transform Malaysia into the cultural destination that it should be.
This report is an evidential analysis of the cultural and creative economy of Kuala Lumpur and the Klang Valley (hereinafter referred to as Kuala Lumpur or KL) and a proposed action plan to establish it as an internationally-recognised creative city that drives growth and contributes significantly to the Malaysian economy.

This project was initiated by ThinkCity and British Council Malaysia. Following that, other public and private partners also participated, and this included CENDANA, the Ministry of Communications and Multimedia (KKMM), Hasanal Foundation, Yayasan Sime Darby, and MyCreative Ventures. This was undertaken by a consortium comprising My Performing Arts Agency (MyPAA), Frost & Sullivan Malaysia, and Tom Fleming Creative Consultancy; a leading international expert on the cultural and creative economy. It was initiated in recognition of Kuala Lumpur’s immense potential for development and growth in this sector.

This report will:

1. Describe and profile the dynamics of Kuala Lumpur’s cultural & creative economy

Firstly, it will attempt to measure the baseline of the cultural and creative industries for Kuala Lumpur. Available data and evidence is presented for key sectors as outlined in the “Key Sectors Driving Kuala Lumpur’s Cultural & Creative Economy Today” section. Information derived from extensive qualitative research will outline sector performance, value chains, and the supporting landscape. It will also explore demand, analyse needs, and build sector engagement.

2. Analyse opportunities and key challenges towards establishing Kuala Lumpur as an internationally-recognised cultural & creative city

The report will define and analyse Kuala Lumpur’s position against cities which already have established cultural and creative economies. It will present an overview of the developmental needs for the various sectors and the economy as a whole.

3. Recommend primary action steps to be taken to build Kuala Lumpur as an internationally-recognised cultural & creative city by 2022

The report will propose, outline, and recommend possible action steps for CENDANA and other stakeholders who are currently active in building or developing the cultural and creative industries. This will also encompass actions that would propel Kuala Lumpur to specifically develop clusters and networks, build a distinctive cultural tourism sector, and mobilise market development. In addition to catalysing Malaysia’s cultural and creative economy, such activities could also animate and energise cross-sector collaboration and align sector growth and urban development agendas.

The data contained within and its technical appendices could well function as a key baseline and reference for the planning and implementation of priority action steps towards developing these sectors.

The Data and Baseline Challenge

The lack of existing quality data and evidence on the cultural and creative economy in Malaysia remains a challenging issue, with serious gaps and a lack of consistency in measurement. There is, for example, very little data gathered at a district level or state level. In addition, micro-enterprises are often not captured through existing approaches, and the informality of large parts of this economy (e.g. individual arts and cultural practitioners) are not captured via official data collection. In addition, where data does exist, it is not regularly updated; and there are inconsistencies in the quality of the data and regularity of its collection between sectors.

The information contained in this report was prepared from publicly available materials and data provided by industry stakeholders, including but not limited to regulatory bodies, local authorities, and industry associations. Qualitative market information is also derived based primarily on interviews. The working group collected input from more than 700 stakeholders consisting of:

- Face-to-face interviews and focus group discussions with 217 industry participants (including regulators and education providers)
- Collected responses from 92 industry players via online survey
- Collected responses from 400 individuals as part of a demand survey

The research for this is an attempt to develop a clear overview of the existing data on Kuala Lumpur based on a review of existing data and some gap-filling via qualitative research. But a genuinely comprehensive and robust baseline will require reform of the approach to economic and cultural data collection at government level. This led to the establishment of a Cultural and Creative Economy Data and Evidence Review, a technical steering group. A similar approach was undertaken in the UK after the first Creative Industries Mapping study (which used existing secondary sources); enabling the development of a new measurement system to underpin the Creative Industries Mapping Study of 2001. This has enabled over 16 years of consistent sector baseline mapping at a national level with scope to generate local and regional data. In turn, creative economy policy has been genuinely evidence-based.
WHY DEVELOP THE CULTURAL & CREATIVE ECONOMY?

The cultural and creative economy is one of the great global success stories of the past 20 years. While it is relatively an emerging concept that is still finding its place within the interface between creativity, culture, economics, and technology, it has real and tangible traction. Major nations and cities around the world are developing strategies and growth plans for their creative economies, both as a competitive growth sector for the economy and also as a differentiating and unique cultural identity.

Broadly speaking, the sectors making up the cultural and creative economy are high-growth, resilient, intensively skilled, and labour-intensive arenas. As formalised businesses, they also create higher skilled jobs with better remuneration compared to the tourism and traditional manufacturing sectors, for example. Driven by original creative ideas, they are also transformational across the board for people, places, and economies. Subsequently the downstream supporting sectors such as tourism, financial services, and manufacturing are also enhanced, diversified, and innovated, in turn making them more attractive to investors.

THE VISION

• For Kuala Lumpur to be among the top 10 internationally-recognised cities of culture and creativity by 2022.

THE OBJECTIVE

• To create 125,000 jobs in the cultural and creative economy sector in Kuala Lumpur by 2022.
Globally, the cultural and creative economy has experienced rapid growth in the 21st century. This stems from an increased demand for distinctive goods and services, including those for leisure. This rising demand can be attributed to the world’s expanding middle-class consumers and increased disposable income. The expansion of digital technology which is changing the landscape of content storage, distribution, and production is another prime contributing factor.

The cultural and creative industry are some of the most dynamic growth sectors of world economies and present excellent opportunities for new and emerging economies to tap into high-growth sectors.

Kuala Lumpur has great potential to develop its own high-value cultural and creative economy, which can potentially become a major contributor towards Malaysia’s GDP while effectively promoting and strengthening the city’s distinct cultural identity. It will also spearhead business opportunities which can take advantage of the rapid advancement of technology to expand the range of services and to springboard into niche, high-value sectors.

From 2000–2010, the Creative Economy grew annually more than twice that of the service industries overall and more than four times that of manufacturing in many OECD and developing countries.

The export of creative goods and services reached $227 billion in 2011. Exports of Creative Industries services were recorded at $172 billion in 2011.

The creative economy is estimated to represent anywhere from 3% to 15% of global GDP.

### THE SCOPE OF THE CULTURAL & CREATIVE ECONOMY

#### A HOLONISTIC UNDERSTANDING OF THE CULTURE ECONOMY

**BASED ON UK INDUSTRIAL STRATEGY & DEPARTMENT FOR CULTURE, MEDIA AND SPORT (DCMS) DEFINITIONS OF CREATIVE INDUSTRIES**

<table>
<thead>
<tr>
<th>ARTS &amp; CULTURE</th>
<th>CREATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Heritage</td>
<td>• Film</td>
</tr>
<tr>
<td>• Conservation</td>
<td>• Virtual Reality (VR)</td>
</tr>
<tr>
<td>• Museums</td>
<td>• Augmented Reality (AR)</td>
</tr>
<tr>
<td>• Archives</td>
<td>• Media</td>
</tr>
<tr>
<td>• Galleries</td>
<td>• Computer Gaming</td>
</tr>
<tr>
<td>• Libraries</td>
<td>• Music</td>
</tr>
<tr>
<td></td>
<td>• Digital media</td>
</tr>
<tr>
<td></td>
<td>• Digitalisation</td>
</tr>
<tr>
<td></td>
<td>• Artificial Intelligence (AI)</td>
</tr>
<tr>
<td></td>
<td>• Robotics</td>
</tr>
<tr>
<td></td>
<td>• Design</td>
</tr>
</tbody>
</table>

### THE GROWTH

The cultural and creative industry are some of the most dynamic growth sectors of world economies and present excellent opportunities for new and emerging economies to tap into high-growth sectors.

Kuala Lumpur has great potential to develop its own high-value cultural and creative economy, which can potentially become a major contributor towards Malaysia’s GDP while effectively promoting and strengthening the city’s distinct cultural identity. It will also spearhead business opportunities which can take advantage of the rapid advancement of technology to expand the range of services and to springboard into niche, high-value sectors.

There are many cities across the world that prioritize the cultural and creative economy as a driver for growth and competitiveness. Their successes should be taken as key examples of how we can grow Kuala Lumpur’s cultural and creative industries, develop our own distinct identity, and bring about the economic and cultural benefits they offer to our own shores.

From 2000–2010, the Creative Economy grew annually more than twice that of the service industries overall and more than four times that of manufacturing in many OECD and developing countries.

The export of creative goods and services reached $227 billion in 2011. Exports of Creative Industries services were recorded at $172 billion in 2011.

The creative economy is estimated to represent anywhere from 3% to 15% of global GDP.

### THE ROLE

Worldwide

The creative economy employed nearly 30 million people worldwide and generated $2.25 trillion in revenue – 3 percent of the world’s GDP – in 2013. This is substantially more than global telecommunications ($1.57 trillion) and greater than the GDP of India, Russia, or Canada.

In Amsterdam, 9.2% of all employment is in the creative industries.

The creative industries generate over £84 billion a year for the UK economy. They are worth almost £10 million an hour to the UK economy.

In London, 16.3% of all employment is in the creative industries.

Over 30,500,000 people visit the city’s top 5 museums each year.

In Paris, over 55 million cinema admissions are made each year.

In Istanbul, over 16 million cinema admissions are made each year.

In Seoul, 52% of all employment is in the creative industries.

Singapore

The DesignSingapore Council was set up in 2003 when the nation began developing a creative economy agenda. In just over a decade, it has nurtured a thriving design scene – Singapore was designated a UNESCO Creative City for Design and is forging closer ties with technology and enterprise in Singapore, in line with the government’s plans to turn the city-state into what it refers to as a “smart nation.”

Exports of the creative economy sector reached $19.36 billion in 2015.

In APAC countries, there are over 13 million jobs in the creative economy.

“The need to imagine and shape the future has become more acute than ever. We must create shared visions for new ways of life, wider and more ambitious...This makes developing and nurturing culture so much more complex – and more necessary. As the Mayor of Moscow has observed, cities used to fight for resources – now they fight for creative, imaginative, talented people.”

World Cities of Culture Forum, Moscow, 2016

“...Adequately nurtured, creativity fuels culture, infuses a human-centred development and constitutes a key ingredient for job creation, innovation, and trade, while contributing to social inclusion, cultural diversity and environmental stability.”

UNCTAD Creative Economy Report, 2010
Kuala Lumpur has the makings of a global hub. Already a major financial and education centre in Southeast Asia, it has much potential to diversify its economic drivers.

- With a population of over 7 million and growing, it has the scale and capacity to support further economic diversification. This is also shored up by a well-developed transportation hub.
- It is ethnically diverse with a growing international population, which together are creating a new distinctive identity for Kuala Lumpur that interestingly maintains Malaysia’s cultural heritage.
- The city is vibrant and alive with confidence and ambition, and a growing appetite to compete with other urban and developing cities of Southeast Asia as a major centre for trade, innovation, and culture.

However, the cultural and creative economy in Malaysia as a whole is largely untapped, with growth disproportionate to its immense and exciting potential.

- There is no formalised set of strategic, structural, and regulatory system to support and propel the growth of the cultural and creative economy, especially in terms of business development and trade.
- Piracy and copyright infringements still pose a big challenge.
- There is a need for more effective championship and support of the arts and cultural sector.
- The culture of entrepreneurism across the sector has not been fully developed.
- Domestic and international markets for Malaysian creative goods and services are under-developed.
- Creative education is not valued as a central pathfinder for personal and professional development.
- Hubs, clusters, networks, and professional bodies lack the capacity and investment seen in well-established economies around the world.

"Unlocking the potential of the creative economy involves promoting the overall creativity of societies, affirming the distinctive identity of the places where it flourishes and clusters, improving the quality of life where it exists, enhancing local image and prestige and strengthening the resources for imagining diverse new futures."

To quote the late Steve Jobs: 

"Technology alone is not enough. It’s technology married with the liberal arts, married with the humanities, that yields us the results that make our hearts sing."

The development focus of Kuala Lumpur’s cultural and creative economy outlined in this report will primarily be on 6 key priority sectors. They have been identified as the most scalable sectors of this economy and are critical to the health and vitality of the overall ecosystem. While there are major overlaps and links between the 6 sectors, each one is internally diverse with its own set of complexities and variables.

Overall, the key indicators which bring them together in this group of 6 are that they are inspirational and instrumental as commercially-driven industries. They are also paramount for nurturing creative talent, building audiences, and markets for creative goods, services and experiences, and for increasing the attractiveness of a city as a place to visit, live, work, and invest in.
THE 6 KEY SECTORS AND ITS VALUE PROPOSITION FOR KUALA LUMPUR

These 6 sectors form the first focus areas within the scope of this report, aligned towards the cultural economies within the larger cultural and creative economy as a whole.

**THE 6 KEY SECTORS AND ITS VALUE PROPOSITION FOR KUALA LUMPUR**

**MUSIC**
- The lifeblood of the cultural and creative economy. These sectors play an inspiring role for creative talent and audience development. They also generate content and distinctive aesthetic styles which influence the approach of and identity for other creative sectors.

**PERFORMING ARTS**
- A major driver of innovation across the cultural and creative economy – e.g. in the use of digital tools, in funding business models, and in animating public spaces.

**VISUAL ARTS**
- A significant part of the creative workforce – of many micro-companies and freelancers, venues and festival organisations, and major production companies.

**MUSEUMS & ARCHIVES**
- Important drivers of cultural tourism – enriching the experience of the city.

**LITERATURE & PUBLISHING**
- Vital for a rich and inspiring cultural landscape which attracts visitors and builds culturally-literate citizens.

**CRAFTS**
- A major provider of employment – in non-metropolitan areas (production) and metropolitan areas (sales).

**DESIGN, FASHION & TEXTILES**
- Design is central to the innovation capacity and competitiveness of the overall cultural and creative economy. It offers distinctiveness and connects aesthetic and functional elements.

**FILM, BROADCASTING & DIGITAL CONTENT**
- The largest part of the cultural and creative economy – in terms of jobs and GDP.

While the focus remains on the 6 sectors above, it is worth mentioning the following sectors that contribute significantly to the overall cultural and creative economy output in KL.

**THE KEY SECTORS DRIVING KUALA LUMPUR’S CULTURAL & CREATIVE ECONOMY TODAY**

**KUALA LUMPUR AS A CULTURAL AND CREATIVE CITY**
### BASELINE DATA, VALUE CHAINS & INDUSTRY OVERVIEW

#### FOR 6 KEY SECTORS

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>VISUAL ARTS</th>
<th>PERFORMING ARTS</th>
<th>MUSIC</th>
<th>CRAFTS</th>
<th>LITERATURE &amp; PUBLISHING</th>
<th>MUSEUMS &amp; ARCHIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contribution to Kuala Lumpur GDP in 2016</strong></td>
<td>- RMT136m</td>
<td>- RMT266m</td>
<td>- RMT36m</td>
<td>- RMT66m</td>
<td>- RMT26m</td>
<td>- RMT36m</td>
</tr>
<tr>
<td><strong>Employment in Kuala Lumpur for 2016</strong></td>
<td>- 300</td>
<td>- 2,650</td>
<td>- N/A - included as performing arts</td>
<td>- 200</td>
<td>- 2,000 publishers and writers</td>
<td>- 270</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>- 11 private higher-learning institutions</td>
<td>- 2 public higher-learning institutions</td>
<td>- 44 art academies in Kuala Lumpur</td>
<td>- 7 private higher-learning institutions offering performing arts degrees</td>
<td>- 2 private and 4 public institutions with a music faculty</td>
<td>- 2 music schools: Yamaha Music School (course structure currently in use within 118 independent and chain music schools in Kuala Lumpur)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Public higher education institutions under 2 government agencies</td>
<td>- Malaysia Handicraft Development Corporation (MHDIC)</td>
<td>- Community Development Department (KEMAD)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>- Government grants – the Ministry of Tourism and Culture’s Cultural Trust Fund has disbursed grants ranging from RM10 to RM50k to 61 recipients in the music and performing arts industry. As of 2016, Five Arts Centre has awarded 50 grants totalling RM852k to artists and arts practitioners.</td>
<td>- Corporate sponsorship</td>
<td>- Creative industry ventures</td>
<td>- Under Daras Industri Kreatif Negara 2012-2016, RM6.5 million was allocated specifically for the music industry. There are no programmes with similar purposes after 2014</td>
<td>- N/A</td>
<td>- Federal government: RM65.2m in 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### HOT SPOTS

- 30 visual arts galleries, mainly in Solaris Dutamas and KL City Centre
- 31 performing arts venues across Kuala Lumpur
- Approx. 80 venues in Kuala Lumpur that permit live performances
- 3 key locations – Central Market, Krafthangan, Kuala Lumpur City Gallery
- Petaling Jaya is home to 29 publishing companies
- 16 publishing companies set up in Shah Alam

### MAIN EVENTS

- Approx. 130 auction events annually
- Performances throughout the year
- Music festivals such as Future Music Festival Asia, Good Vibes, Rock the World, KL International Jazz & Arts Festival, etc.
- National Crafts Day
- Book fairs such as Pesta Buku Selangor, Big Bad Wolf Book Fair, etc.
- N/A

### ENGAGEMENT

- 65% visited art galleries/art exhibitions
- 52% attended theatre performances in Kuala Lumpur
- 60% attended live musical performances/cultural events in Kuala Lumpur
- 54% attended independent live music performances in Kuala Lumpur
- 44% purchased arts and crafts products for own collection
- 54% purchased locally-authored literature or reading materials
- 67% visited museum(s)

### EXPENDITURE

- Average spending per year: 
  - RMT17k
  - Self-funded: 65%
  - Free of charge: 31%
  - Average spending per year: 
  - RMT26k
  - Self-funded: 92%
  - Free of charge: 15%
  - Average spending per year: 
  - RMT24
  - Self-funded: 6%
  - Free of charge: 85%
  - Average spending per year: 
  - RM48
  - Self-funded: 92%
  - Free of charge: 8%
  - Average spending per year: 
  - RM361
  - Self-funded: 98%
  - Free of charge: 2%
  - Average spending per year: 
  - RM62
  - Self-funded: 82%
  - Free of charge: 18%

### SATISFACTION

- 3.88
- 3.96
- 4.15
- 4.16
- 4.21
- 3.94

Source: Consumer Demand Survey (Page 37)
### Visual Arts

**Baseline Data**

- **Value of Art Sold (RM)** vs. No. of Art Sold
- **Number of Visitors in 2015 vs. 2016**
- **Between 2015 and 2016, there was a 7% rise in local visitors to the National Visual Arts Gallery. 86% of visitors were from outreach programmes, which proved that successful advertising of art galleries can lead to higher visitor rates annually.**
- **Only 1% of visitors in both years comprised of international tourists.**
- **There are approximately five art auction houses in Malaysia: Henry Butcher, KL Lifestyle Art Space, The Edge Galerie, Younies, and Masterpiece.**
- **Even though the number of art pieces sold was within the same range from 2015 to 2017, the value declined by 35% from RM14.1 million in 2015 to RM9.2 million in 2017.**

**Value Chain**

<table>
<thead>
<tr>
<th>CONTENT CREATION</th>
<th>SUPPORT</th>
<th>DISTRIBUTION</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCUBATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Residencies:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• WOLO Artist Residency in collaboration with Wei-Ling Gallery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Rimbun Dahan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• HOH Art Trans</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• TAMSU Kuala Lumpur</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Private studios</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EDUCATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 11 private higher-learning institutions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 24 private academies in Kuala Lumpur</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Self-taught/Private</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NETWORKING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Kuala Lumpur-based NGOs devoted to visual arts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Angkatan Seni Fakto</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Wilayah Perselukutan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Persatuan Artis Malaysia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Persatuan Seni Rupa Malaysia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Malaysian Art Archive and Research Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PRIVATE GALLERIES/COMMERCIAL GALLERIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Privately-owned galleries where sole revenue stream is generated through the sale of artworks and prints</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INTERIOR DESIGN</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Art galleries work with interior designers to seek out art pieces compatible with the look of a particular room:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Segars Art Centre</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Affordable Gallery</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AUCTIONS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 5 notable auction houses in Kuala Lumpur</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• As of December 2017, approx. RM5.2 million worth of art pieces were sold from four art auction houses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 639 pieces were sold</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GALLERY SALES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• The National Visual Arts Gallery created 4 exhibition spaces across Malaysia in 2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• From the beginning of the year until May 2017, the pieces on display were valued at RM3.15 million with RM383 accumulated in sales from the spaces established in Kuala Lumpur</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MERCHANDISING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Gallery souvenirs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Art prints</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Drivers**

- **As an industry that relies heavily on visual aspects, social media engagement is important to visual artists. With photo-sharing social media platforms such as Instagram and Snapchat, particularly successful artists can rely on a fanbase to increase the visibility of their works. Artists with social commentaries in their works also find it easier to spread their messages with the help of visitors who post and share photos of their art online. Inevitably, an interested audience is more likely to share the works of the artists online.**

**Rising Social Media Engagement**

- **The Malaysian art scene, despite a slow growth, is maturing into a professional industry that has the potential to make it onto the world stage and there are already Malaysian artists who are notable on an international platform. The artistic community is continuously making concerted efforts to take the visual arts industry further into the spotlight. One example is Galeri Chandan’s Future of Malaysian Art project which is working towards the culmination of a symposium that will discuss the direction and future of Malaysia’s art scene.**

**Current Efforts to Improve Visibility of the Visual Arts**

- **When the GST was introduced, the visual arts industry was not spared. Art pieces on sale in private galleries are sold for as low as RM500 and can go up to RM50,000, depending on the size of the piece. As art pieces are not exempted from tax, interested buyers have had to pay an additional 6%. Galleries have reported a decline in sales due to the implementation of the GST with one respondent admitting that revenue in sales before GST had reached a million ringgit, but had dropped to just about RM300,000 post-GST.**

**Baselined Data**

- **Malaysia’s art scene has come a long way in terms of progress, but more still needs to be done to instil an appreciation of the arts in students and children. Parents and teachers acknowledge the role of art in child development, but have yet to fully cultivate an interest in the arts beyond drawing lessons and school curriculums. However, an appreciation of the arts doesn’t have to stop at the student level; adults should also be constantly encouraged to indulge in and appreciate the arts in Malaysia Kuala Lumpur is not short on art galleries and with a wide range of activities available in the artistic arena, fine art can be something families can enjoy and participate in together.”**

**Introduction of the Goods & Services Tax (GST)**

**Baseline Data**

- **Between 2015 and 2016, there was a 7% rise in local visitors to the National Visual Arts Gallery. 86% of visitors were from outreach programmes, which proved that successful advertising of art galleries can lead to higher visitor rates annually.**

**Restraints**

- **Malaysia’s art scene has come a long way in terms of progress, but more still needs to be done to instil an appreciation of the arts in students and children. Parents and teachers acknowledge the role of art in child development, but have yet to fully cultivate an interest in the arts beyond drawing lessons and school curriculums. However, an appreciation of the arts doesn’t have to stop at the student level; adults should also be constantly encouraged to indulge in and appreciate the arts in Malaysia Kuala Lumpur is not short on art galleries and with a wide range of activities available in the artistic arena, fine art can be something families can enjoy and participate in together.”**

**Under-appreciation of the Arts in Early Education**

- **As an industry that relies heavily on visual aspects, social media engagement is important to visual artists. With photo-sharing social media platforms such as Instagram and Snapchat, particularly successful artists can rely on a fanbase to increase the visibility of their works. Artists with social commentaries in their works also find it easier to spread their messages with the help of visitors who post and share photos of their art online. Inevitably, an interested audience is more likely to share the works of the artists online.**
CASE STUDY – PUBLIKA

BEGINNINGS
Completed in 2011 as part of Solaris Dutamas’ integrated malls initiative, Publika has positioned itself as the premium arts hub in Kuala Lumpur. With a desire to be more than just a shopping centre, they have played host to various exhibitions in the arts since its launch. These exhibitions have taken place in Publika’s White Box – a gallery space that has displayed stunning pieces by notable artists (both local and international) including Bayu Utomo Radjikin and Paulo Grangeon.

SPOTLIGHT ON...

MAP FEST
MAP Fest is a month-long arts and cultural festival that starts with the Earth Hour in March to commemorate the anniversary of MAP, an arts space that consists of White Box (gallery) and Black Box (theatre). The festival covers a variety of events from music, visual art, street art, films, poetry, crafts, traditional cultural performances, design, and eco-workshops that are specially catered to Publikans from all walks of life.

MAP FEST

GALERI CHANDAN
Segaris Art Centre

Having been around for seven years, Galeri Chandan has already established itself as one of the key players in visual arts. Notable successes include the establishment of the bi-annual Malaysian Emerging Arts Award and the Trailing Soul Project that shines a light on Malaysian artists on a global stage. Currently, they are working on The Future of Malaysian Art (FMA) project – a movement that engages art enthusiasts on social media to share their thoughts on the direction of Malaysian art in the future.

Segaris Art Centre is an arm of UTM that provides a platform for UTM graduates to reach a wider audience. They keep their exhibitions fresh by putting on a new one every month and include a fusion of seasoned artists as well as up-and-coming talent. Currently, they represent 200 full-time artists who graduated from the Faculty of Art & Design.

VALUE CHAIN

CONTENT CREATION

PRODUCTION

IN-HOUSE

• Currently 191 creative staff members in Kuala Lumpur

FUNDING

• Government grants
  • MOSTAC’s Cultural Trust Fund has disbursed grants ranging from RM1k to RM5k to 61 recipients in the music and performing arts industry
• Corporate sponsorships
• Creative industry ventures
• Self-funded

NETWORKING

• 28 Kuala Lumpur-based NGOs devoted to performing arts
• MyPA (by connecting funders to artists)
• Kakiseni (by publishing listings online)

EDUCATION

• 7 private higher-learning institutions offering performing arts degrees
• 3 public higher-learning institutions offering performing arts degrees
• 1/4 performing arts academies in Kuala Lumpur

VISIBILITY

• Art
• Social media
• Events promotion by venue
• Editorial write-ups (Daily Seni, newspapers, magazines, etc.)
• Events listing (Kakiseni, Time Out KL, etc.)

AWARDS & RECOGNITIONS

• BOH Cameronian Awards

BASELINE DATA

• Istana Budaya recorded the highest ticket sales, both in revenue and volume, in 2016 as the theatre hosted international acts. However, visitation dwindled from 205,428 in 2015 when P Ramlee the Musical returned for a third season that year.

• This chart depicts the revenue performance for the most popular shows held in Kuala Lumpur. It should be noted that MUD KL hosted two performances daily for the duration of the entire year (excluding public holidays).

KUALA LUMPUR AS A CULTURAL AND CREATIVE CITY
The Malaysian government recognises the positives of a flourishing creative industry and will allocate RM80 million to the creative industry in the 2017 Budget. There are also grants provided by well-established theatre companies that seek to help up-and-coming talent in the industry. Private foundations such as Yayasan Sime Darby have recognised the benefits of promoting the performing arts industry and have contributed RM18.4 million across several arts projects since 2009.

Living in a country that enjoys free-admission entertainment, or at least entertainment at the lowest price possible, locals would rather pay an average of RM12 to watch a movie at a cinema than to attend a high-quality stage production that would cost an average of RM30 per person. On the other hand, stage productions that offer free admission may not necessarily have enough funds to cover the cost of the entire production and would find themselves at a financial loss, thus creating a negative cycle.

Different theatre and dance companies focus on different products. If utilised collectively and cohesively, this could create a larger support network for everyone in the industry. Currently there is no existing consortium that plays a connecting and supporting role between the various industry players. While companies do work with each other, a consortium with common goals would further the cause and propel the performing arts industry towards a more exciting future.

Malaysia is recognised internationally as being a culturally-diverse society. This provides numerous and diversified opportunities for audiences of various cultures and backgrounds. An example of a production that brings audiences together is MUD KL. It has been staged twice daily for two years with a standard ticket priced at approximately RM83. This production raked in approximately RM17.39 million in ticket sales and has been well-reviewed by viewers.

Case Study – KLPAC

Founded by Joe Hasham OAM and Dato’ Faridah Merican in 1989, The Actors Studio was established as the privately-owned and operated theatre space in Plaza Putra, Kuala Lumpur. A flash flood occurred in 2003, which caused heavy damage to the Actors Studio and from there KLPAC was born. The Kuala Lumpur Performing Arts Centre (KLPAC) was developed from a jointly-owned platform comprised of Yayasan Budi Penyayang Malaysia, YTL Corporation Berhad, and The Actors Studio Malaysia.

IN 2017

3 theatres
794 seating capacity
43,980 audience size*  
55,000 average ticket size

RM1.48m ticketed revenue**
39 members of staff
6 creative staff
4 in-house production management staff

Notes:
* Includes complimentary and sold ticket-holders.
** Inclusive of third-parties (venue hirers) and collaborated productions. A percentage of the ticketed revenue will be channelled back to third parties and/or collaborators.

Business Model

Besides stage productions, KLPAC conducts corporate training, community outreach, and workshops for children and teenagers. Its corporate training program uses physical activity and movement to foster confidence and team building skills for participating organisations. Similarly, speech and drama classes are offered three semesters a year to children and teenagers. Both of the above serve as additional revenue streams. In addition, its community outreach program, CODRe, seeks to bring performing arts to the underprivileged.

Kuala Lumpur as a Cultural and Creative City

The key sectors driving Kuala Lumpur’s cultural & creative economy today

Drivers

- Increased Funding Opportunities
- A Culturally-Diverse Audience
- Undervaluing Local Productions
- Lack of a Support Network Between Companies

Restraints

- Living in a country that enjoys free-admission entertainment, or at least entertainment at the lowest price possible, locals would rather pay an average of RM12 to watch a movie at a cinema than to attend a high-quality stage production that would cost an average of RM30 per person. On the other hand, stage productions that offer free admission may not necessarily have enough funds to cover the cost of the entire production and would find themselves at a financial loss, thus creating a negative cycle.

- Different theatre and dance companies focus on different products. If utilised collectively and cohesively, this could create a larger support network for everyone in the industry. Currently there is no existing consortium that plays a connecting and supporting role between the various industry players. While companies do work with each other, a consortium with common goals would further the cause and propel the performing arts industry towards a more exciting future.

Case Study – KLPAC

Founded by Joe Hasham OAM and Dato’ Faridah Merican in 1989, The Actors Studio was established as the privately-owned and operated theatre space in Plaza Putra, Kuala Lumpur. A flash flood occurred in 2003, which caused heavy damage to The Actors Studio and from there KLPAC was born. The Kuala Lumpur Performing Arts Centre (KLPAC) was developed from a jointly-owned platform comprised of Yayasan Budi Penyayang Malaysia, YTL Corporation Berhad, and The Actors Studio Malaysia.

IN 2017

3 theatres
794 seating capacity
43,980 audience size*  
55,000 average ticket size

RM1.48m ticketed revenue**
39 members of staff
6 creative staff
4 in-house production management staff

Notes:
* Includes complimentary and sold ticket-holders.
** Inclusive of third-parties (venue hirers) and collaborated productions. A percentage of the ticketed revenue will be channelled back to third parties and/or collaborators.

Business Model

Besides stage productions, KLPAC conducts corporate training, community outreach, and workshops for children and teenagers. Its corporate training program uses physical activity and movement to foster confidence and team building skills for participating organisations. Similarly, speech and drama classes are offered three semesters a year to children and teenagers. Both of the above serve as additional revenue streams. In addition, its community outreach program, CODRe, seeks to bring performing arts to the underprivileged.
# VALUE CHAIN

## CONTENT CREATION & SUPPORT FUNCTIONS

### TALENT DEVELOPMENT
- **Support**
  - **Networking**
    - Malaysian Buskers Club – has a membership of approx. 12,000
    - 5 Kuala Lumpur-based NGOs devoted to supporting local musicians
  - **Publishing Houses**
    - 3,848 lyricists and songwriters registered with Music Authors’ Copyright Protection Bhd (MACP) as of March 2017

### MUSIC SCHOOLS
- **Self-taught or Private Lessons**
  - About 40 event organisations
  - Approx. 80 venues
  - The only council where a busking license is required prior to performance

### HIGHER EDUCATION IN MUSIC
- Kuala Lumpur has 5 private institutions and 4 public institutions with a music faculty
  - International College of Music (ICOM)
  - UTM’s Faculty of Music

### SELF-TAUGHT OR PRIVATE LESSONS
- 5 Kuala Lumpur-based NGOs
- Malaysian Buskers Club – has a membership of approx. 12,000
- 5 Kuala Lumpur-based NGOs devoted to supporting local musicians
- About 40 event organisations
- Approx. 80 venues

## RECORDED MUSIC PRODUCTION FUNCTIONS

### PRODUCTION
- **Recording Labels**
  - 376 music labels that provide recording and/or publishing services

### PROMOTION
- **Funding**
  - The Ministry of Tourism and Culture have established a Cultural Trust Fund (Tabung Amanah Kebudayaan) Applicants have to be approved by the Cultural Evaluation Committee (Jawatankuasa Penilaian Kebudayaan) prior to being eligible for the fund.

### DISTRIBUTION
- **Government**
  - Dewan Bandaraya Kuala Lumpur has allocated RM16.1 million towards funding the arts and sports.
  - The Ministry of Tourism and Culture have established a Cultural Trust Fund (Tabung Amanah Kebudayaan) Applicants have to be approved by the Cultural Evaluation Committee (Jawatankuasa Penilaian Kebudayaan) prior to being eligible for the fund.

### LICENSING
- **Music Rights Malaysia* (MRM)**
  - The MRM is a non-for-profit organisation and the sole licensing body to carry out collective music license issuance and fee collection activities
  - The MRM represents associations like MACP, PPM, Recording Performers’ Malaysia (RPM), and Performers Rights & Interest Society of Malaysia (PRISM)
  - The MRM offers 2 types of licenses - single event Public Performance licenses and annual Public Performance licenses

### LOCAL COUNCILS (LIVE ENTERTAINMENT PERMITS)
- All entertainment premises in Selangor are required by state law to obtain a permit by filing in forms in compliance with Peraturan-peraturan Fikiran dan Tempat-tempat (Selangor) 1996
  - Shah Alam City Council
  - Dewan Bandaraya Kuala Lumpur
  - The only council where a busking license is required prior to performance

---

### BASELINE DATA

#### MUSIC INDUSTRY REVENUE FROM PHYSICAL, DIGITAL, AND SYNCHRONISATION SALES (RM MILLIONS), 2011 – 2016

- The Compound Annual Growth Rate (CAGR) for physical revenue has been rapidly decreasing at -3.05% annually, due to the rising popularity of digital music.
- The rising popularity of digital music is reflected in its CAGR that has been increasing steadily at 0.97%.
- Synchronisation has maintained a steady regression in revenue at a CAGR of -1.79%.

### TOTAL REVENUE OF THE MUSIC INDUSTRY IN MALAYSIA (RM MILLIONS), 2011 – 2016

- The revenue in the music industry dropped in 2013 before picking up again at a significant rate. Overall, the CAGR from 2011 to 2016 was calculated to be at 0.61%.
  - This could perhaps be due to a renewed interest in the ease and accessibility of purchasing music on a digital platform.

---

Note: As of 1st October 2017, Music Authors Copyright Protection Bhd (MACP) & Public Performance Malaysia (PPM) have phased out issuing licenses altogether and the responsibility of collecting fees and issuing music licenses to events/establishments etc. has fallen to Music Rights Malaysia (MRM).
+ More companies are being set up to protect music composers and musicians from intellectual property theft. These companies help musicians earn what is rightfully theirs and allow them more freedom to create content without having to worry about intellectual property disputes. The Government has also lent their support in protecting musicians in the form of MyiPo as of 2005. Additionally, companies such as MAP or One Stop Music Malaysia offers legal protection and representation of music labels.

+ The advent of digitised music has made music more easily accessible to the public. Music streaming platforms have made it easier for consumers to listen to music anywhere and at anytime. Meanwhile, sales platforms like iTunes also offer consumers the option to purchase single tracks of their preference instead of having to purchase an entire album. This shift enables the purchase of a high volume of products (at a relatively low price) and in the long-term, will increase overall revenue.

+ One of the primary issues plaguing the music industry is the lack of clear and concise guidelines regarding live performances. This causes much confusion regarding what is allowed and what is not and performers often seem to run afoul with the controlling bodies. There also have been last-minute cancellations of events with affected performers reporting that they were not aware of the guidelines they were said to have broken.

+ In Malaysia, international (non-Malaysian) students are allowed to seek part-time employment during semester breaks on the condition that they do not apply for work as a cashier, masseuse, musician, or singer. This rule prohibits international talent from honing their art in Malaysia and contributing to the creative scene with their respective takes on music.

+ Malaysia has three main languages and numerous dialects. While creating interesting diversity, this causes a language barrier with the people inclined to listen to music in their preferred language. Therefore one of the main goals for the music industry is to create a brand and sound that can unite most (if not all) Malaysians.

+ The creative industry in Malaysia has a reputation as a low income generator as compared to other fields of work. With most new artists relying solely on social media to promote their work, it can be difficult for their careers to take off beyond their “immediate social circle”. Many artists are also unaware of the business management skills required to market themselves and their work, which inadvertently reduces their exposure.
VALUE CHAIN

<table>
<thead>
<tr>
<th>FUNDING</th>
<th>TRAINING</th>
<th>MARKETING &amp; PROMOTION</th>
</tr>
</thead>
</table>
| MALAYSIA HANDICRAFT DEVELOPMENT CORPORATION (MHDC) | • Apprentice Training Scheme  
• Skills training  
• Logistics development  
• Product development  
• Heritage craft documentation  
• Marketing and promotion | MHDC  
• Markets craft products under its subsidiary, Karyaneka which has been mandated to nurture the handicrafts industry for global exports |
| SME CORPORATION | NATIONAL CRAFT INSTITUTE (IKN) (UNDER MHDC)  
• Certification and Diploma for skills on batik, weaving, pottery, metal, wood carving, rattan, and bamboo | MATRADE  
• Matching of local craft producers with potential export buyers  
• MATRADE also has online partnerships with Amazon and Alibaba |
| MALAYSIA EXTERNAL TRADE DEV CORP (MATRADE) | COMMUNITY DEVELOPMENT DEPARTMENT (KEMAS)  
• Certification and Diploma for handicraft skills | MINISTRY OF TOURISM AND CULTURE (MOTAC)  
• National Craft Day for 2 weeks annually for visitors to view, buy, and experience handicraft production |

BASELINE DATA

HANDICRAFT REVENUE, 2010-2015* (RM MILLIONS)

NUMBER OF CRAFTSMEN BY STATE AND TYPE, 2015*

ACTIVITY | OUTPUT
--- | ---
Development of craft skills (through IKN) | • 365 students in 2015  
• 137 students graduated in 2015  
• 118 IKN graduates (86%) are involved in the craft industry |
Marketing | • Domestic – 146 promotional activities involving 3,719 craftsmen (29 activities done in Kuala Lumpur)  
• International – 15 promotional activities involving 291 craftsmen |
One Village, One Industry (SOI) programme | • 20 projects on entrepreneurship involving 271 craftsmen  
• 14 entrepreneurship incentives involving 750 craftsmen |
Craft research & development | • Product and design development  
• Research on technology and materials |
Craft heritage documentation | • Preservation  
• Restoration  
• Research and publication |

DRIVERS

TOURIST APPRECIATION OF LOCAL HANDICRAFTS

• Foreign tourists appreciate local handicrafts for their uniqueness but also due to the attraction towards the story or themes behind many of our craft products. These include the likes of songket which was only initially worn by the royal families and pua kumbu that was used for sacred or ritual ceremonies.  
• With the right marketing and strategies, Malaysian craft, with its unique themes, designs, histories and heritage, hold great potential in the greater global market.

HIGH POTENTIAL OF FOREST PRODUCTS & TEXTILES HANDICRAFTS

• Wood or forest-based material products have high marketability as they can be made into various products such as furniture, utensils, jewelry, and accessories. They also hold favourable export potential.  
• Malaysia is known for its traditional textiles such as batik, songket, and pua kumbu which have rich traditions and histories. Additionally, these textile products have been modernised in recent years and can be further improvised for use in fashionable apparel.
More than 90% of handicraft producers in Malaysia are small-scale players. They usually operate as sole proprietors and are reluctant to adapt to changes, such as new methods of craft production to increase economies of scale or to promote their business beyond the local market. These craftsmen do not seem motivated to enhance their skills, production capabilities or business acumen.

It is estimated that a large proportion of existing craftsmen will be retiring over time. They are typically the first or second generation who are approaching retirement age but there is a lack of knowledge transfer to the next generation. This is further compounded by the low interest level of the younger generation to pursue a career in the crafts industry. Most youth do not value traditional crafts and are disinterested in the industry which is associated with low incomes, unstable business, and inadequate security.

The lack of cooperation and coordination between craft producers and respective regulatory bodies is hampering the industry. Small-scale craft producers are usually based in rural villages. They are not aware of the available funding, training, and marketing support that can help them to grow and expand.

With the majority of craftsmen working as individuals, craft products move straight from the producer to the customer. Also, many craftsmen indulge in these arts as a passion more than as an income-generating source.

Local crafts have to increasingly compete with imported crafts, especially from neighbouring nations which share our common cultural histories. These products easily penetrate the local market due to close resemblances.

* Note: Latest available data is for 2004.
CASE STUDY – MALAYSIAN HANDICRAFT DEVELOPMENT CORPORATION (MHDC)

BACKGROUND
MHDC is an agency under the Ministry of Tourism and Culture Malaysia, established under Act 222 of the Malaysian Handicraft Development Corporation Act, 1979.

OBJECTIVES:
- To increase awareness and interest in the use of local craft products.
- To expand the market size of craft products.
- To develop market-oriented quality products.
- To promote the growth and advancement of the craft industry.
- To provide trained staff to meet the needs of the craft industry.

HQ AND BRANCHES
MHDC HQ is in Kuala Lumpur and it has 14 branches – in Selangor, Malacca, Negeri Sembilan, Johor, Pahang, Terengganu, Kelantan, Perak, Penang, Kedah, Perlis, Sarawak, Sabah, and Langkawi.

STRATEGY AND ACTION PLAN
- To cooperate with Felda, RISDA, FELCRA, FRIM, SIRIM, IPTA, and other government agencies and non-governmental organisations as well as the state government.
- To emphasise on craft using local and natural raw materials.
- To emphasise on the development of skilled craftsmen especially in rural areas.
- To make the SDSI program a mechanism for developing the national craft industry.
- To focus on traditional craft development for the preservation of the national craft identity.
- To focus on the growth of local crafts in the domestic market.
- To emphasise on the use of technology in the production of local craft products as world-class quality products.

SUPPLY OF RAW MATERIAL
- The supply of natural raw materials such as clay, weed, rattan, bamboo, and other fibres are dwindling due to urbanisation, development, and deforestation. This has led to rising costs that directly affects the prices of handicraft products.
- Raw materials for the textile sector are usually imported, mainly by importers in the East Coast of Malaysia. Materials for songket, embroidery and woven textiles are imported by private companies from China, India and Europe. Overall, there is no consistent supply, quality control and price stability to speak of.
Drivers

Local Publishers to Maintain Book Prices Despite Price Hike in Paper

- Local book publishers are unlikely to increase book prices despite the increase in the cost of paper as most publishing houses maintain sufficient stock for their publishing requirements. To date, Karangkraf Media Group announced that they have no plans to increase product prices either. Maintaining the price of books could attract more people to purchase them.

Restraints

The Budding Presence of Malaysian Publishers on a Global Scale

- The Malaysian publishing industry was brought to the international stage at the Frankfurt Book Fair in 2016. Their participation was part of the National Book Policy to further develop the publishing industry (mostly for books). By building a global presence, interest in local authors will be enhanced asMalaysians start to appreciate local writing talents.

Restraints

- Demand for print books still accounts for 90% of total sales nationwide. However, industry revenue is expected to be negatively affected due to financing issues. The RM100 1Malaysia book voucher for students has been replaced with a RM250 debit card that they can use to purchase stationery, computer accessories, and internet access. The 2017 Budget does not hold good news for the publishing industry either – the implementation of a RM2,500 lifestyle tax relief has replaced the RM1,000 tax relief intended for books, journals, and publications. The new tax relief has been opened up to purchases of newspaper publications, gym memberships, tablets and smartphones, and internet subscriptions.

- Unlike printed books, the publication of e-books does not require as much time or money. Authors can self-publish on online platforms such as Amazon and have their content downloaded worldwide at a relatively low price. Local authors will also get to see their works on the global stage and can enjoy success online that may not have been possible had their works been published in print. This essentially pits authors who can self-publish against publishers.

Case Study – Buku Fixi

Background

Founded in 2011, owner Amir Muhammad wanted to publish books that deviated from the norms of Malay fiction. Fixi opened its first flagship store in 2015 after carrying out business operations online. Fixi publishes a range of titles, from classics to pulp fiction. Three of their titles (Pecah, Zombijaya, and Gantung) have been turned into films and mini-series with another two titles in the pipeline to receive the same treatment. Fixi has also championed local publishers’ presence at the London Book Fair.

Quick Numbers

- 1.8 million in 2016 revenue
- RM300,000 in revenue from the KL International Book Fair
- 10% revenue growth achieved in 2017
- 3,000 copies of Malam sold out within 30 hours at the Big Bad Wolf Book Sale
- 160 titles published

Imprints

- FIXI MONO: Non-fiction
- FIXI NOVO: English-language books
- FIXI RETRO: Out-of-print Malay books
- FIXI VERSO: Translations of bestsellers

Buku Fixi publishes novels in the urban contemporary pulp fiction genre, but they enjoy the most success in the horror genre. Horror Stories and Asrama are their best-selling horror novels of all time, recording 400,000 copies sold each within 3 years.
## Supporting Industries for Museums

<table>
<thead>
<tr>
<th>FUNDING</th>
<th>EDUCATION/TRAINING</th>
<th>END USER PROFILES</th>
<th>MARKETING PLATFORMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEDERAL</td>
<td>For conservators, currently no artifact conservation diploma/degree in Malaysia. Museums typically accept candidates with science backgrounds, such as a diploma/degree in Biological Science. Chemistry. Pharmaceutical. These courses are widely available in public and private universities/colleges.</td>
<td>Local. Tourists (individual &amp; by tour groups). School excursion visits.</td>
<td>Travel agency.</td>
</tr>
<tr>
<td>SELANGOR STATE GOVERNMENT</td>
<td>RM1m in 2016. Museums typically accept candidates with science backgrounds, such as a diploma/degree in Biological Science. Chemistry. Pharmaceutical. These courses are widely available in public and private universities/colleges.</td>
<td></td>
<td>SOCIAL MEDIA.</td>
</tr>
<tr>
<td>PRIVATE FUNDS</td>
<td>For curators: history/language/related education, e.g., Bachelor in Arts (SMU). Master of Arts (SEA History). GM. PhD in Archaeology (UKM, USM). Master of Islamic Studies/Islamic Civilisation or related (UKM, UMT, UK).</td>
<td></td>
<td>MOTAC.</td>
</tr>
<tr>
<td>E.H.</td>
<td>Overseas training – such as the Southeast Asia Regional Centre for Archaeology and Fine Arts (by national museums).</td>
<td></td>
<td>Tourism Malaysia advertisements and website.</td>
</tr>
<tr>
<td></td>
<td>Core roles such as conservators and curators mostly receive on-the-job training.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Value Chain

#### Case Study – National Museum
- Established in 1963 with the core functions of collection, preservation of archaeology, and exhibition.
- 4 key galleries:
  - Early history
  - The Malay Kingdoms
  - The Colonial Era
  - Malaysia Today
- 2,583 total collection.

Some of the programmes and activities held by National Museum:
- Museum Night Trail
- School break programmes
- ‘In Love with Jar’ Exhibition (‘Pameran Tempayan’)
- Cultural performances
- Inreach programmes
- Archaeological excavation module – The Perak Man
% of respondents who mentioned ‘Very Important’

<table>
<thead>
<tr>
<th>Factor</th>
<th>Very Important %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility to the location</td>
<td>25%</td>
</tr>
<tr>
<td>Affordable price</td>
<td>24%</td>
</tr>
<tr>
<td>Attractive products/service</td>
<td>24%</td>
</tr>
<tr>
<td>Quality of offering</td>
<td>22%</td>
</tr>
<tr>
<td>Innovation of offering</td>
<td>19%</td>
</tr>
<tr>
<td>Involvement of world-renowned</td>
<td>13%</td>
</tr>
<tr>
<td>artist / writer</td>
<td>11%</td>
</tr>
<tr>
<td>Recommendation from family/friends</td>
<td>12%</td>
</tr>
<tr>
<td>Recommendation from social media</td>
<td>13%</td>
</tr>
<tr>
<td>Potential arts and cultural</td>
<td>21%</td>
</tr>
<tr>
<td>engagements (n=300)</td>
<td></td>
</tr>
<tr>
<td>Recommendations of artists</td>
<td>12%</td>
</tr>
<tr>
<td>Recommendations of service</td>
<td>12%</td>
</tr>
</tbody>
</table>

**ENGAGEMENT VS PERCEIVED SATISFACTION**

The Core Strengths quadrant shows art activities with high engagement levels and satisfaction scores among art engagees, hence continuous effort is required to sustain and develop its growth. Primary Focus shows art activities with high engagement levels and lower satisfaction scores, where improvement is needed to increase customer satisfaction.

**AREAS OF IMPROVEMENT**

- **Awareness**
  Better use of digital media as a marketing tool to reach out to the younger generations.
- **Appeal**
  More ways to express creativity more freely, via innovative and creative workshops.
- **Accessibility**
  Affordable price and ease of access to location.

**PREFERRED SOURCE OF INFORMATION TO RECEIVE INFORMATION ABOUT ARTS & CULTURAL ACTIVITIES/PRODUCTS**

- Social media: 72%
- Word of mouth: 60%
- Programmes on TV: 49%
- Advertisements on TV: 49%

- Company’s official website: 47%
- Articles in newspapers: 42%
- Advertisements in magazines: 39%
- Programmes on radio: 39%
- Articles in magazines: 39%
- Website specialised in arts: 1%
BUILDING BLOCKS

This Cultural and Creative Economy Report for Kuala Lumpur provides a major step towards developing a more imaginative, ambitious, and progressive place: to live in, work in, invest in and visit. It introduces the building blocks for a successful Cultural & Creative Economy and the pathways for ensuring globalisation does not bring homogenisation, and that growth does not erode cultural vitality.

Five building blocks have been identified as the basic structure to build a high growth and value-adding cultural economy for Kuala Lumpur.

They are introduced here and discussed further under the ‘Potential Actions’ section.

Meanwhile, in the bid to establish and fortify these building blocks, we also first need to clearly delineate and identify the strengths and gaps of the various sections that make up the cultural and creative economy landscape of Kuala Lumpur as it stands today.

THE 5 CULTURAL & CREATIVE ECONOMY BUILDING BLOCKS

1. Cultural & Creative Education: Create A Creative Workforce

- Well educated, young, ambitious workforce with strong STEM education.
- Some creative specialisms – e.g. in performing arts, digital, crafts.
- Growing vocational provision with industry partnerships – e.g. audiovisual, digital, crafts.
- Low levels of cultural and creative education in schools.
- Weak appreciation of the creative industries as a viable career.
- Lack of international standard accreditation in key industries.
- Major skills gaps – e.g. in backstage skills for performing arts, dying crafts skills, and script-writing for audiovisual.
- Lack of world-leading higher education institutions with specialization in creative practice – e.g. via arts and humanities or sector specific schools such as art and design schools, film schools, design schools, etc.

2. Creative Hubs & Infrastructure

- An emergent ecosystem of creative hubs – e.g. co-working spaces, incubators, and co-located production and consumption activities in old industrial buildings. The complex and diverse urban landscape offers huge potential for the proliferation of creative hubs of all types.
- Large retail malls which are growing a role as cultural venues and platforms for exchange and showcasing.
- Museums and galleries which are improving, modernising and adapting to become more relevant to audiences and engaging for creative businesses.
- A higher education sector which is becoming more amenable to industry partnership – e.g. hubs in third spaces off-campus.
- Hubs are relatively few in number, are not clustered, and lack the scale and diversity of other cities.
- There are gaps in the hub ecosystem – e.g. artists’ studios, cross-sector labs which connect the creative arts to science and technology, and flexible production space for events.
- The cultural sector lacks tailored facilities of international standards – e.g. climate-controlled visual arts galleries, dance studios accessible to less well-off communities, and genuine world-class museums, theatres, and music venues.
- There are fewer informal and diverse cultural venues compared to other major cities – e.g. for live music.

3. Nurturing The Market

- Singapore has invested heavily in its creative infrastructure over the recent years – from small-scale production campuses (e.g. Goodman Arts Precinct) to major cultural venues (e.g. Esplanade). This underpins a formal strategy to be a leading creative nation which enables creative production, presentation, distribution and consumption to flourish.
- The landscape includes (1) strong creative foundations at university level and within specialist industry skills bodies, (2) focus at the policy and investment level, and (3) priority on innovation within the cultural and creative economy.
- Secure long-term creative clusters in key strategic sites across Kuala Lumpur – to establish a vibrant creative ecosystem made up of several connected districts of culture.
- Develop an investment programme to reform and refresh major cultural infrastructure – to increase capacity and quality as anchors of world-class cultural destinations.
- Ensure the inclusion of cultural and creative facilities and hubs are encouraged as part of the planning requirement for major developments.
- Protect heritage sites for their re-use as creative hubs.

4. Business Support & Investment

- Finland has the most expansive cultural and creative education in the world. This is based on a principle of open, non-didactic learning, which encourages self-exploration, collaboration, and problem-solving. This is carried through from primary school to industry where students are encouraged to experiment, seek new solutions, and engage in design-thinking.
- The landscape includes (1) strong creative foundations at university level and within specialist industry skills bodies, (2) focus at the policy and investment level, and (3) priority on innovation within the cultural and creative economy.
- Develop a creative education and skills policy for Malaysia – to link key strategic areas in the professional creative journey (from school to retirement).

5. Creative Place-making, Liveability & Tourism

- Protect heritage sites for their re-use as creative hubs.
- Ensure the inclusion of cultural and creative facilities and hubs are encouraged as part of the planning requirement for major developments.
- Ensure the inclusion of cultural and creative facilities and hubs are encouraged as part of the planning requirement for major developments.
4. Business Support & Investment

- Strong sector-focused business support and investment programmes – e.g. for audiovisual and digital, crafts.
- Dedicated support and intelligence available for IP literacy.
- Increasing investor awareness and appetite in the cultural & creative economy – with MyCreative Ventures playing an important role in demonstrating investment potential.
- Strong sector networks across the cultural & creative economy (formal and informal), facilitating knowledge exchange.
- Lack of creative entrepreneurship and management training at pre- and post-graduation levels.
- Lack of a dedicated cultural & creative economy development agency – an intermediary to build networks, facilitate business support programmes, and act as advocate and champion CENDANA can become this agency.
- Lack of business support in key creative sectors – e.g. visual arts, performing arts, and music.
- Gaps in the creative investment landscape – e.g. retail banks rarely invest in creative businesses; and funds for R&D are not widely available.

3. Nurturing The Market

- A growing middle class with less income disparity than most other major Southeast Asian cities.
- English language skills – which make it easier to sell and collaborate with many key markets.
- Improving distribution channels and platforms – digitally and via the many malls.
- Relatively small domestic market and limited diaspora.
- Low brand awareness of and loyalty for Malaysian creative goods and services – domestically and internationally.
- Lack of export readiness across the cultural & creative economy – e.g. knowledge of markets and regulation.
- Regulatory aspects such as tariffs on some creative goods and services make it more expensive to develop creative businesses locally.
- Lack of dedicated creative trade shows and fairs and low visibility internationally.
- Japan launched the Cool Japan Fund in 2013 as a public-private fund with the aim of supporting and promoting the development of demand overseas for Japanese products and services.
- Cool Japan Fund aims to commercialise and increase overseas demand for the creative industries by providing risk capital for businesses across a variety of areas, including media and content as well as fashion and lifestyle.
- Build Kuala Lumpur as a centre for creative expositions – e.g. organise trade fairs and major creative festivals and events – to build awareness domestically and overseas, attract investment, and generate ‘created in Malaysia’ loyalty.
- Extensive local and international networks, facilitate business support programmes, and act as advocate and champion. CENDANA can become this agency.
- Lack of business support in key creative sectors – e.g. visual arts, performing arts, and music.
- Gaps in the creative investment landscape – e.g. retail banks rarely invest in creative businesses; and funds for R&D are not widely available.

5. Creative Place-making, Liveability & Tourism

- A rich and distinctive urban landscape – with some substantial heritage assets, green spaces, and dynamic high-density urban districts.
- Growing cultural planning expertise (e.g. via ThinkCity) – which recognises the cultural value of the urban landscape and seeks to re-imagine and reinvigorate key districts across the city. This includes a strategic alignment of environmental improvements; health, wellbeing and cultural participation.
- Strategic initiatives such as RiUh (an initiative from MyCreative Ventures) – which will bring experimental and participatory cultural and creative activities into the cityscape.
- An expanding public transport network which is unlocking development opportunities, connecting districts and facilitating opportunities for culture-led development.
- Severe constraints on effective creative place-making – e.g. traffic congestion which polarises communities and limits cultural participation, weak planning guidance and enforcement, which means development rarely has a cultural dimension; and the blight caused by previous planning errors – e.g. the lack of access to waterways and the lack of infrastructure for outdoor festivals and events.
- Culture and creativity is not at the fore of planning policy, inward investment and talent retention/attraction activities; or place-branding (e.g. for tourism). This has resulted in very low levels of association between Kuala Lumpur and culture and creativity and the city is rarely viewed internationally as a cultural or creative city.
- The festivals sector is under-developed, with few large-scale influential events which can transform the identity of a city and gain long-term commitment to culture as a driver of successful city-making.
- Vancouver, Canada has successfully aligned its approach to city development, economic competitiveness, wellbeing, and liveability. It has achieved this by positioning culture and creativity as a golden thread through all corporate policies and investment programmes. This ‘whole city’ approach to culture and creativity includes an enlightened urban planning policy that seeks to embed cultural and creative infrastructure and activity high levels of funding for cultural production – e.g. in events and festivals; and the promotion of the city as a cultural destination and place to develop creative business. Consequently, Vancouver is regularly close to the top of global wellbeing and liveability indexes.
- Develop dedicated planning guidelines for culture, and explore incentives which will encourage culture and creativity at the heart of the civic narrative (i.e. in promotional literature and outward missions for tourism and inward investment) – to introduce Kuala Lumpur to the global Cultural & Creative Economy sphere.
**OPPORTUNITIES**

**MUSICS, PERFORMING ARTS & VISUAL ARTS**

**ARTS AND CULTURE GIVE LIFE MEANING, HELP TO BUILD DIVERSE AND COHESIVE COMMUNITIES AND IMPROVE OUR QUALITY OF LIFE. GREAT ART AND CULTURE CAN INSPIRE OUR EDUCATION SYSTEM, BOOST OUR ECONOMY, AND GIVE OUR NATION INTERNATIONAL STANDING.**

**OUR OPPORTUNITIES**

- To build a coherent investment landscape for the arts - which connects grant finance for emergent activities, R&D, infrastructure gaps and commissions, loan finance for organisational development and to support revenue generation (e.g. via retail, catering, and events), and equity finance for scalable content – e.g. performing arts touring shows, input to audiovisual sectors, and collaborations with technology companies. Also build a clear campaign for private sector investment in the arts, promoting tax incentives where they exist and demonstrating the returns on investment (e.g. for brand development, corporate social responsibility, innovation, and in some cases, equity).

- To scale-up talent development programmes which balance technical and creative skills with entrepreneurship and management skills. This can involve partnerships – e.g. between creative education institutions, business and management schools, and via knowledge exchange programmes.

- To undertake a long-term sector-wide audience development programme - raising awareness of the power and quality of the arts, providing concessions in a coordinated way, programming art in places and spaces for which there is existing footfall, and building big data on audiences which can be shared across the sector. This can be a priority action of CENDANA – working to cement a coordinated and more consortia-driven model for the arts development across Kuala Lumpur.

- To establish Kuala Lumpur as an events and festivals city – with clear and consistent planning and licensing, transparent approaches to censorship and policing, and a public sector which works hard to enable cultural practice to thrive rather than to prohibit it. This can include a strategic approach to growing events capacity across the city – e.g. re-purposing public space to enable outdoor arts events; supporting temporary cultural spaces in industrial and heritage contexts; and supporting event and arts production companies to develop and grow.

- To establish Kuala Lumpur as a globally significant centre for contemporary visual arts and urbanism - embracing the landscape and supporting visual arts clustering in central KL and key transforming districts of the city. This can add to the quality and dynamism of the mix.

---

**MUSEUMS & ARCHIVES**

**MUSEUMS AND HERITAGE ASSETS ENRICH LIVES, INSPIRE MINDS, AND BUILD CULTURAL LITERACY. THEY ARE THE LIFEBLOOD OF A HEALTHY CULTURAL ECOSYSTEM AND PLAY A TRANSFORMATIONAL ROLE IN THE CULTURAL & CREATIVE ECONOMY.**

**OUR OPPORTUNITIES**

- To build digital capacity in the museums and archives sector via a dedicated digital development programme. This can build collaboration with the Kuala Lumpur digital sector and focus on digitising content (e.g. the national archives); improving reach and engagement (e.g. via multi-platform and multi-channel communications); innovating with the visitor experience (e.g. via gamification and use of VR and AR); and innovating with the business model (e.g. opening-up new revenue streams via monetised content and new products and services).

- To re-imagine the museum and heritage experience via collaboration with other parts of the cultural and creative economy – establishing hubs of creative production, staging events and festivals, and exploring touring models (e.g. presenting work in pop-up galleries in shopping malls). This is to build relevance to wider audiences and establish the sector as more contemporary and aspirational.

- To increase consistency of quality via piloting a new accreditation model for museums - co-designing with Kuala Lumpur universities’ new degree and postgraduate courses in core museum and heritage disciplines; and brokering skills and knowledge exchange activities across the workforce (including between state and private museums).

- Revitalise the governance and business models for state museums – allowing them to trade (not to generate surplus but to re-invest for innovation, sustainability, and growth).

- Re-purpose heritage gazetting and enforcement - a new heritage revitalisation system which extends protection, provides clear and enforceable planning guidelines, and incentivises the re-use of heritage assets for contemporary creative use.
LITERATURE PROVIDES US WITH THE MEANS TO UNDERSTAND, DESCRIBE, AND RE-IMAGINE THE WORLD. IT GIVES US THE MEANS TO KNOW OURSELVES AND OTHERS; TO EXPRESS THOSE STRUCTURES OF FEELING WHICH WOULD OTHERWISE BE OUT OF REACH. LITERATURE AND THE ACTIVITIES IT GENERATES, GIVES US THE FLUENCY TO MANAGE OUR LIVES.

+ To mobilise a culture of reading from school into adulthood – e.g. by developing a more diverse and exciting literature syllabus in school; by promoting reading through coordinated campaigns and festivals/events; and by supporting writers and publishers to increase access to audiences/markets through tailored investment and support.
+ To provide a more coordinated skills offer to writers, including industry awareness, entrepreneurship, and collaboration opportunities with other creative sectors.
+ To develop specialisms which complement the growth areas of the cultural and creative economy – e.g. children’s writing linked to the TV and animation sectors; comics and zines linked to the animation and gaming sector. There are also major skills gaps in film and TV for script-writing – for which connection to the wider creative writing landscape might prove fruitful.
+ To develop literature as a key part of the cultural tourism landscape in Kuala Lumpur – building on literature tours and the events sector; plus developing options for an international writers’ centre – as a hub for residency, exchange, and critical engagement.
+ To target key international markets via outward missions and export development support for publishers – e.g. Singapore, China, India, UK, and North America.
+ To invest in R&D and prototyping via digital publishing – connecting literature to the internet of things.

CRAFTS – THE PROCESS OF DESIGNING AND MAKING DISTINCTIVE PRODUCTS – GIVE A NATION, REGION OR CITY A SENSE OF IDENTITY. CRAFTS AND ‘MAKING’ MATTER – EVEN IN OUR GLOBAL, DIGITALLY ENHANCED MARKET. PERSONALISATION, PROVENANCE, A DESIRE FOR DIRECT CONTACT WITH MAKERS, ETHICAL CONSUMPTION AND SUPPORT FOR LOCAL TRADING, ARE ALL INFLUENCING THE MARKET FOR CRAFTS.

+ To deliver a step change in entrepreneurship, ambition, and capacity through intensive and targeted support to a younger generation of urban crafts makers. Malaysia has not developed an urban craft scene and aesthetic as witnessed in leading craft hubs such as Chiang Mai or Seoul. This involves nurturing clusters and networks of younger designer-makers with tailored support and investment which incentivises innovation in the use of materials and aesthetics; collaboration with traditional handicraft makers and other creative industries to generate new types of products (or even services); and targeted market development to appeal to higher-spending urban consumers. It can also involve supporting digitally-enabled activities such as fab lab facilities, hackathons for rapid prototyping, and online sales and promotion platforms.
+ To build a promotional campaign that champions ‘created and made in Malaysia’ and that appeals to all generations – with officially endorsed crafts products and high-profile sales platforms – e.g. via partnerships with major retailers. This will increase accessibility for crafts makers to grow and commercialise their businesses.
+ To boost the activities of MHDC and partners via the modernisation of National Crafts Day – to become National Craft, Design and Innovation Day: a showpiece for the links between traditional crafts excellence and contemporary innovation. This can be impact-facing – as demonstrated in Dutch Design Week (Eindhoven), which showcases the best in Dutch design in ways that show loyalty to traditional crafts but also show how craft skills and craft thinking can be applied to problem-solve for societal issues such as environmental pollution or mobility.
+ To develop an enforceable policy regarding sustainable provision of high quality raw materials which can be traced from the finished product.
To establish Kuala Lumpur as a major hub for modest fashion in South East Asia and globally, this will require a dedicated fashion development and investment programme to even reach ‘catch-up point’ with competitors. Key interventions would include government mandate of designer fashion as a vital and potentially high-growth sector which can also add to the competitiveness and innovation capacity of the traditional textiles, apparel, and footwear sectors. From this recognition, key interventions can be introduced – to include a much stronger fashion education, skills and enterprise offer; targeted investment to ease start-up development; specialist business support and market development; dedicated fashion workspace/hubs; and a strategic approach to showcasing and market-making (i.e. ensuring the fashion show offer helps accelerate growth).

To build the capacity of sector associations so they are better equipped to play a high-value role in a reformed approach to sector development. For example, the bumiputra designers association already plays a vital role in connecting designers, delivering seminars, and building market opportunities. But it has limited capacity. A consideration would be to develop a fashion and textiles programme to connect designers to traditional textile manufacturers to ensure harmony in the value chain so that designers are able to adequately respond to orders (such as those generated at fashion shows).

Consolidate and promote different districts of Kuala Lumpur as fashion hubs. This can be through collaboration and branding activities which establishes a district/street as a fashion hub. It can also be through the effective curation and programming of pop-up fashion retail to enhance the districts as fashion destinations and generate markets for the designers. It can also be by securing fashion workspaces – as hubs for emergent fashion talent. This will enable knowledge exchange and collaboration; enhance confidence and capacity for the designers; and increase the visibility of designer-makers as key players in the Kuala Lumpur cultural and creative economy.

To build a focus and coherence in policy and investment. Although the governance and regulatory landscape for the sector is strong, there is a clear lack of coordination and integration between these sectors. There needs to be a shared overarching film, broadcasting, and digital content policy for Malaysia that joins together the key building blocks. This should include leveraging on the cultural distinctiveness of Malaysian film and TV to target and reach the Asian market.

To increase investment in early-stage productions and R&D across the industry and build stronger investor interest in high-growth sectors such as animation. In partnership with the University sector and through the emergent clusters (e.g. Cyberjaya), Kuala Lumpur can be a hub for the convergence of creative and technical innovation. This will need pump-priming and more new flexible financing to encourage creative ventures that explore future horizons rather than the current market. This will also instil a more critical and higher quality edge to local content. There is also a need to nurture investor readiness – leveraging the IP Financing Scheme, MyCreative Ventures, and Malaysia Debt Ventures, e.g. for commercial banks (building their awareness of and appetite for IP-based creative businesses); or for business angels and VCs – mobilising networks and providing the platforms for investment (e.g. accelerators).

To develop a long-term skills drive which delivers some short-term impact – establishing consistent accredited programmes in schools and universities; embedding entrepreneurship and management across upskilling programmes; increasing the prevalence and quality of professional development programmes; and directly attending to major gaps in skills (e.g. script-writing and story-telling) via master-classes, knowledge exchange platforms, apprenticeships, writing camps, and international exchanges. This is to have a long-term view on sector development, which is necessary given the maturity of the skills landscape in competitor nations.

To increase the scale and prevalence of specialist hubs and facilities which focus on generating critical mass through multiple micro-enterprises collaborating and scaling together.
Education institutions must strive to do the following:

- Excellent schools nurturing talent, encouraging collaboration and problem-solving and championing the arts.
- Schools, colleges and universities promoting creative employment and the idea of a creative job.
- Universities actively driving creative entrepreneurship and providing industry-ready skills and research.
- Skills programmes enabling continuous professional development across the cultural and creative economy.

Effective partnerships would require:

A) The public sector as the enabler – with supporting priority agendas, policies and investments to facilitate reform and support or protect cultural and creative activities.

B) The private sector as the catalyst – driving the cultural and creative economy as equal partners with the state in the designing of policy for each building block and co-investing in activities to propel growth.

C) The convergence of the public and private sectors – to create a sustainable economy for cultural organisations through revenue-generating activities.

D) The connection of state-run development organisations across the cultural and creative economy – to jointly approach the development of the key building blocks with a focus on sector-specific elements.

This report identifies 5 building blocks for Kuala Lumpur’s cultural and creative economy, each requiring a mix of public and private sector investment and management. The 5-year agenda, with CENDANA as catalyst, champion, and enabler will provide the impetus for long-term sustainable growth to establish Kuala Lumpur as an internationally-recognized cultural and creative city.

Effective partnerships would require:

A) The public sector as the enabler – with supporting priority agendas, policies and investments to facilitate reform and support or protect cultural and creative activities.

B) The private sector as the catalyst – driving the cultural and creative economy as equal partners with the state in the designing of policy for each building block and co-investing in activities to propel growth.

C) The convergence of the public and private sectors – to create a sustainable economy for cultural organisations through revenue-generating activities.

D) The connection of state-run development organisations across the cultural and creative economy – to jointly approach the development of the key building blocks with a focus on sector-specific elements.

BUILDING BLOCK 1

Cultural & Creative Education: A Creative Workforce

To successfully grow the cultural and creative economy of Kuala Lumpur, creative hubs must be connected as one complementary and supporting ecosystem. As a collaborative, inter-disciplinary and cross-boundary industry, it requires the following enabling conditions to deliver its potential impact and value:

1. Effective ecosystems shaped by shared values which express a distinctive local identity that influences the cultural context of creative production and consumption. Ecosystems that are also inclusive, with various pathways into the numerous industries being available for talent across the board.

2. Excellent broadband access and free wifi in public spaces, creative hubs, and cultural buildings.

3. A rich mix of cultural infrastructure – from large scale world-class museums, galleries and theatres, to innovative community facilities. These institutions should operate on a mixed economy business model and should be digitally enabled, which will allow them to be generators of value across the cultural and creative economy.

A NOTE ON CREATIVE HUBS

To successfully grow the cultural and creative economy of Kuala Lumpur, creative hubs must be connected as one complementary and supporting ecosystem. As a collaborative, inter-disciplinary and cross-boundary industry, it requires the following enabling conditions to deliver its potential impact and value:

1. Effective ecosystems shaped by shared values which express a distinctive local identity that influences the cultural context of creative production and consumption. Ecosystems that are also inclusive, with various pathways into the numerous industries being available for talent across the board.

2. Excellent broadband access and free wifi in public spaces, creative hubs, and cultural buildings.

3. A rich mix of cultural infrastructure – from large scale world-class museums, galleries and theatres, to innovative community facilities. These institutions should operate on a mixed economy business model and should be digitally enabled, which will allow them to be generators of value across the cultural and creative economy.
• Clear routes to market for creative content, goods and services – e.g. via online and offline distribution systems which are legible, user-friendly, and transparent.
• A well-informed domestic market which is loyal to local content, goods and services, and for which there are clear opportunities to buy and a critical community of review (e.g. an arts and creative media and strong creative networks).
• Tailored market development activities – e.g. trade shows, outward and inward missions, and a strong commercial festival sector.

• Tailored business advisory services for different parts of the cultural and creative industries – e.g. on entrepreneurship, management, intellectual property and export.
• Strong creative business networks and trade bodies – allowing for knowledge exchange, value chain development, and collaboration.
• Targeted investment and investor-readiness activities – e.g. creative incubators, accelerators, and investor networks.
• A coordinated investment landscape with some dedicated creative funds – from microfinance and small grants to equity.

• Establish a cultural and creative economy statistical working group to review the industrial and occupational classifications currently used to measure economic performance, which is benchmarked against the creative industry’s definition of UNCTAD. By year 5, a new data collection system should be in place for the cultural and creative economy.
• Develop a promotional campaign to raise awareness of the distinctiveness of the cultural and creative economy and generate brand loyalty to local products, services, and content.
• Initiate an international market-development campaign with a three-pronged focus of securing buyers/distribution, building collaborations, and attracting inward investment and talent to position Kuala Lumpur as a cultural and creative hub.

• Develop partnerships with local councils in Kuala Lumpur to integrate culture into planning, education, economic development, and tourism.
• Embed culture into planning and design agendas. One opportunity is in housing, where a commitment to imaginative, well-designed housing which offers a high-quality public realm, amenities which encourage citizen participation, and affordable workspaces in accessible locations; is a cultural statement. Another opportunity is in transport and major developments, where new or improved cultural infrastructure can work to anchor and connect parts of the city, signage can be transformed (e.g. to include digital signage and new wayfinding technologies), public spaces can be serviced to be able to cater for sports, festivals and events, and affordable creative workspaces can encourage talent to actively produce new culture for the city.
• Modelled on the new programme in London, UK, consider setting up a ‘Cultural Districts’ programme: two districts per year feature as the ‘priority areas’ for investment and partnership in cultural place-making.
RESEARCH DISCLOSURE

FROST & SULLIVAN’S RESEARCH METHODOLOGY

Frost & Sullivan has refined its research methodology over many years of experience, having researched diverse markets in many different life cycles—from the embryonic to mature. Frost & Sullivan’s reference publication, Industrial Market Engineering (Publication 5168-80), explains the research methodology in great depth.

The information contained in this report was prepared from publicly available materials and data provided by industry stakeholders, including but not limited to regulatory bodies, local authorities and industry associations. Quantitative market information is also derived based primarily on interviews. For this report, Frost & Sullivan has completed the following:

- Face-to-face interviews and focus group discussions with 67 industry participants (including regulators and education providers)
- Collected responses from 92 industry players via online survey
- Collected response from 400 audience as part of demand survey

While Frost & Sullivan has made every effort to ensure the accuracy of the data used in this report, we do not give any warranty as to the accuracy or completeness of the information contained in this report. There are limitations in the extensiveness and quality of data used for analysis and reporting in this report. The reasons for limitation are as follows:

i. No Data or Only Partial Data are provided

There are instances where no data or only partial data are collected and provided by regulatory bodies, local authorities or industry associations.

ii. Data Inconsistency

There are instances where data provided are inconsistent due to different methodologies and responsibilities in collecting information by different parties. In this view, data collected from but not limited to various individuals, companies, associations, regulatory bodies or local authorities may not entirely be comparable and may not be combined.

REFERENCES & SOURCES

<table>
<thead>
<tr>
<th>SECTORS</th>
<th>AREAS</th>
<th>TOP LINE DATA</th>
<th>SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design, Fashion, Textiles</td>
<td>Revenue</td>
<td>RM1.2b in sales by top cloth manufacturing in KL</td>
<td>2015 revenue from Clothing Bureau</td>
</tr>
<tr>
<td></td>
<td>Employment</td>
<td>-500 independent fashion designers in Malaysia</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-200 Bumiputera designers</td>
<td></td>
</tr>
<tr>
<td>Crafts</td>
<td>Revenue</td>
<td>Close to RM70m in revenue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employment</td>
<td>-200 craftsmen in KL</td>
<td></td>
</tr>
<tr>
<td>Music, Visual &amp; Performing Arts</td>
<td>Revenue</td>
<td>Est. RM37m ticket revenue earned by 3 largest theatres</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>RM6.25m worth of art pieces were sold via auction houses between Jan – July 2017</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employment</td>
<td>3,848 lyrics and songwriters are registered</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-200 in-house creative employees for performing arts</td>
<td></td>
</tr>
<tr>
<td>Literature &amp; Publishing</td>
<td>Revenue</td>
<td>Annual turnover of RM1.5b</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employment</td>
<td>191 publishers currently set up in KL and Selangor</td>
<td></td>
</tr>
<tr>
<td>Audiovisual &amp; Digital</td>
<td>Revenue</td>
<td>RM678m gross proceeds of cinemas in KL</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>RM53m gross proceeds by locally-produced films</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employment</td>
<td>-5,000 workforce in the industry across value chain</td>
<td></td>
</tr>
<tr>
<td>Museum &amp; Archives</td>
<td>Revenue (Funding)</td>
<td>Federal Funding: RM10.8m in 2016</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Selangor State Government – RM10m in 2016</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employment</td>
<td>19 museums (public and private); 11 gazetted heritage sites; and a further 6 non-gazetted sites</td>
<td></td>
</tr>
</tbody>
</table>

FULL DISCLAIMER

This project was initiated by ThinkCity and British Council Malaysia. Following that, other public and private partners also participated, and this included the Cultural Economy Development Agency (CENDANA), the Ministry of Communications and Multimedia (KKMM), Hacanah Foundation, Yayasan Sime Darby, and MyCreative Ventures Sdn. Bhd. The research in this report was undertaken and prepared by a consortium comprising of Frost & Sullivan, My Performing Arts Agency (MPAA) and Tom Fleming Creative Consultancy (“the Partners”).

Without prejudice to the generality of the foregoing paragraphs, the Partners do not represent, warrant, undertake or guarantee that the use of data and information in this report will lead to any particular outcomes or results. All data and information presented in this report have been obtained or derived from sources believed by the Partners to be reliable but makes no representation as to their accuracy, completeness and timeliness. The Partners shall be indemnified from any loss arising from the use of data and information presented in this report, except for liability that arises under specific statutes or regulations applicable. By using this report, you accept this disclaimer in full.
<table>
<thead>
<tr>
<th>SECTORS</th>
<th>AREAS</th>
<th>TOP LINE DATA</th>
<th>SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector Achievements</td>
<td>Over 190,000 visits were recorded at KL museums in 2016</td>
<td>JMM, Frost &amp; Sullivan Research</td>
<td></td>
</tr>
<tr>
<td>Contribution to KV GDP</td>
<td>● Visual Arts</td>
<td>FTS Analysis</td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>● Visual Arts</td>
<td>FTS Analysis</td>
<td></td>
</tr>
<tr>
<td>Engagement</td>
<td>● Visual Arts</td>
<td>FTS Industry Interview Reports</td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>● Visual Arts</td>
<td>FTS Industry Interview Reports</td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>● Visual Arts</td>
<td>FTS Industry Interview Reports</td>
<td></td>
</tr>
</tbody>
</table>

LIST OF ORGANISATIONS ENGAGED

- A Vivid World
- ACE Adventure Studio
- Akademi Seni Budaya & Warisan Kebangsaan (ASWARA)
- Al Jazzara Media Network
- Animasian Media
- Art for Grabs
- Aril
- Arts-Ed
- Arts, Live Festival and Events Association (ALIFE)
- Astris Malaysia Holdings Berhad (ASTRO)
- Badan Warisan Malaysia
- Bakuawae Penang
- Bentley Music Academy
- BERJAYA University College of Hospitality
- British Council Malaysia
- Broadway Academy
- Bukit Bintang
- Bumpaha Designer Association (BOA)
- Bursa Malaysia
- Cacatan Studio Sdn Bhd
- Campaign for Equality & Human Rights Initiative
- CHIS Holdings Sdn Bhd
- CIHPhotography
- CIMB Foundation
- Cinta Art Centre
- Commercial Art Gallery (Klang Valley)
- Common Ground Studio
- Cosmospace College
- Creative Economy Development Unit (CEDU)
- Cultural Center of the Philippines
- Dailywalls
- Danna Orchestra
- Dewan Bahasa & Pustaka
- Digital Art & Culture Festival
- DrumTeer Games
- Duo Space
- Earth Hair
- Ensemble Versa
- Fenomena Seni Produksi
- Five Arts Centre
- Forest Interactive
- Freedom Film Fest
- Fraser & Sullivan Malaysia
- Fusion Malaysia
- Gabungan Persatuan Penulis Nasional (GAPENA)
- George Town Festival (GTF)
- Geeks-Incinerator Malaysia
- Graphic Design Association of Malaysia (wREGA)
- Hands Percussion Malaysia
- HOM Art Tours
- I Theatre Ltd.
- Im Entertainment
- Im Productions
- ICT College
- Ilaam Gallery
- Inuk Hub Kuala Lumpur
- Institut Terjemahan & Buku Malaysia (ITBM)
- International College of Music (ICOM)
- Intra Arts & Culture (I) Foundation
- Intra Arts & Culture Sdn Bhd
- Islamic Arts Museum
- JTW Entertainment Sdn Bhd
- Jabatan Kebudayaan & Kesmian Negara (JKKN)
- Jabatan Muzium Negara
- Jaji Bukan
- Japan Foundation KL
- KajianHar
- Khaszahah National Berhad
- Kita Kita
- KIX
- KL Tourism Bureau (DBKL)
- KUMP Japan
- KUMP Artists
- Kwong Tong Dance Company
- LaSalle
- Lentang Pembangunan Semi Visual Negara (LPSVN)
- Lee Congpue
- Live Fact
- LOKA
- LOL Events
- Malaysia Banking Berhad (Maybank)
- Malaysia Digital Economy Corporation (MDEC)
- Malaysia External Trade Development Corporation (MATRADE)
- Malaysia Global Creative & Innovation Centre (MaGIC)
- Malaysia Innovation & Design Society (MINDS)
- Malaysia Institute of Arts (MIA)
- Malaysian
- Malaysian Official Designers Association (MODA)
- Malaysian Writers Society
- Maxis
- Maybank Foundation
- Ministry of Tourism & Culture (MOTAC)
- Minum Ini
- Monologuisti Studio
- Monyet Bercakap
- Moonbeam Pictures Sdn Bhd
- Molekules
- MP3
- Museum of Asian Art & Visual Art Department Cultural Centre (UM)
- My Performing Arts Agency (MPAA)
- MyCreative Ventures Sdn Bhd (MCV)
- MyDance Alliance
- New Start Media Group
- Next New Wave
- Niasisara Performing Arts Research Centre (NUSPARC)
- Open Mic Malaysia
- Ours Art Projects
- Putra Baju Project Entertainment
- Penang Convention & Exhibition Bureau (PCEB)
- Perbadanan Bemban Kinabalu Film National Malaysia (FINAS)
- Perbadanan Kesenian Kelantan
- Performance Management & Delivery Unit (PENMAX)
- Perikanan Kedah & Malaysia
- Pertubuhan Pembinaan Film Malaysia
- Peseta & Mentari
- PETRA Group
- Petronas National Berhad (PETRONAS)
- PETRONAS Gallery
- PJ Live Arts
- Playground Productions
- Playgroulee
- PodDigital Sdn Bhd
- PR Worldwide
- Premiere Performing Arts
- Primework Studios Sdn Bhd
- PopPAU
- Polish Soundworks
- Purple Car Holdings Sdn Bhd
- PUSAKA
- Pasifik Kreatif & Karakorak Teamku Barnum
- Rilak-Li
- RedKil Film Sdn Bhd
- Radio Televisyen Malaysia (RTM)
- Raffles College of Higher Education
- Recording Industry Association of Malaysia (RIM)
- Revolution Stage
- RHB Foundation
- Rhythm in Bronze
- RMKM by MVC
- Ruang by ThinkCity
- Sayang Cruising
- Star Media Group
- Sunway College Ipoh
- Taimei
- Tampin Film Fest
- Temasek of Five Arts KL (TOFAKL)
- Territory Magazine Malaysia
- TheInergy/TheCar Productions
- The Actors Studio Academy (TASS@KL)
- PAC
- The Capricorn Connection
- The Center Lumpur Festival
- The Endless
- The Imaginarius Studios Asia Pacific @ Pinewood Island
- The KLM Movement
- The Kuala Lumpur Performing Arts Centre (KL PAC)
- The Very Bad Film School
- The Wild Sessions
- TheatreNetwork
- Theatrenext
- ThinkCity
- Tenstar Studio
- University Teknologi MARA (UiTM)
- University of Malaya
- University Sains Malaysia
- Yayasan Kasih
- Yayasan Sime Darby (YSD)
- Young KL Singers
KUALA LUMPUR AS A CULTURAL & CREATIVE CITY

Cultural Economy Development Agency (CENDANA)

B-15-01, PJ Trade Centre,
No. 8 Jalan PJU 8/8A,
Bandar Damansara Perdana,
47820, Selangor Darul Ehsan.

www.cendana.com.my