

The Impact of Globalization on the Malaysia Film Industry

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Abstract: *Malaysia's film industry has a very long history. Its first film Laila Majnun was produced in 1933 and directed by BS Rajhans – an Indian director. After various companies produced that more Malay films. The acceptance of Malay film by local audiences has convinced China filmmaker Shaw Brothers to set up a studio and a company - Malay Film Production (MFP) that became a cornerstone in the local movie industry. Local films industry reached its pinnacle in the early 50s, and 60s with the late Tan Sri P. Ramlee weaving its magic in producing award-winning films such as Pendekar Bujang Lapok, Anaku Sazali and Ibu Mertuaku that won him The Most Versatile Artist in 1962. The local film industry plummeted with the demise of the late P. Ramlee and shutdown of Merdeka Film Production. Other factors contributed to the downwards are the globalization of imported foreign films from Hollywood and Bollywood, introduction of television, union-employer disagreement and breaking Singapore from Malaysia. Malaysia imported more than 300 foreign films mostly from Hollywood and Bollywood. There is no policy to stop the local company from showing Hollywood and Bollywood movies in the local cinema. Viewing habit in Malaysia is influenced by race and segmented especially local movies but all races will watch Hollywood movies. This viewing habit does not help local film industry and based on tickets sold, Hollywood movies (blockbusters) are top of the table raked more than RM20 million ringgit per movie. Under the government economic transformation programme to become a high-income nation in 2020, the creative industry has been chosen because of its potential to contribute to economic growth as shown by Hollywood. The National Film Policy and National Creative Industry Policy have given impetus to propel growth in the local film industry. Under Budget 2012 government has allocated RM200 million under National Creative Industry Policy to spur the industry. The local film industry is facing numerous challenges that can hinder its growth. Top of the problem is production cost per film, which is low compared to other producing countries such as South Korea and Thailand. The purpose of this research is to compile data from the local film industry and to create a comprehensive ecosystem model for the industry to become vibrant.*

Keywords: *National Film Policy, National Creative Industry Policy, production cost*

I. INTRODUCTION

Hollywood's dominance in the international film industry started way back since the World War 2, and today, it churns out movies which are being screened in almost 150 countries around the world. Its enduring grip was the result of World War 1 and 2, which effectively killed off Europe's film industry.

Statistics show that between 40 and 90 per cent of films screened around the world are either produced in Hollywood or by the United States-owned transnational companies (Wendy Su, 2010).

As in 2003, in the European continent, Hollywood films controlled 53% of the French film industry; Canada (87%); and the United Kingdom (73.5%). Among the contributing factors to the Hollywood's dominance are huge local market (the United States), the use of English as the language medium (opening doors to international market), the inability of smaller domestic filmmakers in developing and poor countries to compete on global scale, and the efficiency of the Hollywood's film studio system. Hollywood contributes RM612 billion every year in term of revenue to American government. Apart from possessing economic value, Hollywood films also play an important role in injecting American culture, which has been effectively utilized as an element in the form of entertainment that cuts across popular culture genres such as romance, humour, violence, fantasy, drama, fiction and imagination. The elements enable viewers to free themselves from realities of life and step into the world of imagination Lim and Har (2007) explains, the revenue and response to local films in many countries are incomparable to the response well received by the Hollywood films. The American cinema is now seen as a yardstick of achievements in filmmaking. It becomes the root of influence for Hollywood films to seep into global cultures and eventually crafting Hollywood as a Trojan horse for America's cultural invasion in the minds of the younger generation. Today, Mickey Mouse, Donald Duck, Snoopy and Garfield are not just popular toys; they are also the source of happiness for children. While *Spiderman*, *Superman* and *Batman*, already immortalised in films, are firmly imprinted on young minds as manufacturers come up with superhero-based merchandise such as posters, clothes and books. Lim and Har (2007) also claims that Hollywood films such as *The Lord of the Rings* trilogy, the *Harry Potter* series, the *Matrix* trilogy and the *Star Wars* franchise not only reaped profits running into billions of US dollars from all over the world, but they also dominate the global world of fantasy. The global successes of Hollywood films, according to Katz and Leibes (Thussu, 2006:168, in Lim and Har, 2007) boils down to five factors, namely: universal themes and ideas which were accepted widely with mass appeal; varied and flexible storylines which boosted family values; availability of these films on the market; growth of television networks across the world; and the aggressive marketing strategies employed by American media conglomerates.

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Sardar (2008:121) is of the opinion that the United States as an empire is using Hollywood films to promote itself as a nation that prioritises the good of humanity, presenting the country as a global power against evil doings.

Through Hollywood's war films, viewers were constantly and repeatedly told of the American soldiers who were always inevitably on the side of the "good guys" -- fighting tyranny, cruel dictators who oppress people and deny human rights. The storylines also encourage viewers to make choices in life based on Western values -- be it on consumerism, democracy, gender equality or technological edge - and further boosted chances for the United States to win all wars and finally emerged as the world's sole and indisputable superpower. To Neal Gabler (Sardar, 2008), the United States is a republic based on entertainment, with film as its main weapon. Gabler also stated that film offered escapism and was instrumental in the creation of the great American dream's mythology, which has been, in reality, a nightmare to other countries. Swann (1991), on the other end, pointed out that the 'American lifestyle' slogan, which interprets development and high-quality life is now widespread, expressing thanks to Hollywood films. Swann (1991) also revealed the close working relationship between the United States' Department of State and the Hollywood film industry in "painting the right image". It is also said that a large number of former United States' Department of State employees were once attached to Motion Picture Association of American (MPAA) -- film ratings, lobbying and anti-piracy governing body.

II. MALAYSIAN FILM INDUSTRY

As for Malaysia, the government realized the importance of cultural products such as film as an income-generating industry while at the same time promoting local culture and heritage to the world. The government also noted that to materialize this, quality and competitive film industry is required to prolong the existence of both the industry and the local culture. History shows that Malaysia was among the first among Southeast Asian peers to have an established film industry headquartered in Singapore. The first Malay feature film, *Laila Majnun*, which was directed by B S Rajhans was produced in 1933. Ever since, there was no turning back concerning variety and genres. It reaches its peak with a studio system pioneered by Shaw Brothers via setting up Malay Film Productions anchored by the late Tan Sri P Ramlee, a charismatic actor, comedian, songwriter, director and scriptwriter. P Ramlee wrote 360 songs, acted in 63 films (40 in Singapore, 23 in Malaysia), and directed 34 films (16 films in Singapore between 1955 and 1964, and 18 films between 1966 and 1973 in Kuala Lumpur). He won the Best Male Actor award at the Asia Film Festival 1957 for his role as father and son in *AnakkuSazali*; the Best Asian Comedy Film award in 1959 for the self-directed *Pendekar Bujang Lapok*; and was named The Most Versatile Actor through *Ibu Mertuaku* at the same film festival in 1963 (Millet, 2006). Other Malay film star recognized internationally include the late Ibrahim Pendek, who starred with Rock Hudson in 1962 western film. *The Spiral Road* (www.arkib.gov.my). It was then notable that film directors of India citizen contributed to the

development of Malaya's film industry. Among them were BS Rajhans, L Krishnan, S Ramanathan and B.N Rao. Aside from BS Rajhans, who was famous for directing his first film in Malaya (*Laila Majnun*), B. N Rao was yet another renowned director who produced high-grossing box office films. Rao was the individual responsible for introducing horror genre to Malaysia through his *Pontianak* series, with Maria Menadoas a household name for films of this genre in 1957. Rao was born in 1908 in Kerala, India, and had joined the Shaw Brothers' Malay Film Productions in 1953. He then joined Cathay -- Keris in 1956 (Millet, 2006: 44-45). But as with many industries, including Hollywood, the golden era of the Malay film industry began to lose its lustre. The fall of the Malay film industry from its glory days was due to the shrinking number of cinema-goers, the introduction of television in 1963, the rising cost of production, fallout between studio employees and their bosses, the separation of Malaysia and Singapore, and the flooding of films produced in Indonesia, Hong Kong, Bollywood and Hollywood in the local market. Malaysian film industry in mid 60's were facing downwards trend was injected with new spirit when the Malaysian Government formulated and introduced New Economic Policy (NEP) in 1970. The NEP emphasized the 30 per cent ruling of equity in the economy to be given to Bumiputera. This policy also included in the entertainment industry. Some artists such as Datuk Sarimah Ahmad and her late husband Yusof Majid established Sari Artist, the first movie company created by Bumiputera artist (Fauziah Kartini et al., 2009). The establishment of Sari Artist became a catalyst for Bumiputera artists to follow similar footsteps. Among them were the late Tan Sri P. Ramlee, Tan Sri Jins Shamsuddin, Jaafar Abdullah and H.M Shah joint together to formed Perfirma

Permintaan Terakhir produced by Merdeka Studio Ltd in 1975 directed by the late Datuk Jamil Sulong was the first film in colour to be produced after the closing of Studio Merdeka in 1974, one year after the demise of the late Tan Sri P. Ramlee. But local film industry gained significant impetus when one of the entrepreneurs Deddy M Borhan from Sabah, produced a comedy film titled *Keluarga si Chomat* in colour and widescreen. This film was a hit among local audiences, and this success gave confidence among local producers to make a local movie. Perfirma first film was *Menanti Hari Esok* which was screened in 1977 and got a good response from local audiences when it was screened for 53 days. *Si Badul* (1977) was produced by Sabah Film stayed for 73 days on the cinema screen. It was *Azura*, a film produced by Sabah Film became the first local film to hit RM1 million box office in 1984 (Fauziah Kartini et al., 2009). Local famous singer Jamal Abdillah a.k.a King of The Pop starred the film and famous local actress Fauziah Ahmad Daud, and it was romance genre targeted for the youth market.

The successful of *Permintaan Terakhir*, *Esok Untuk Siapa* and *Azura* proved that local films still have the audiences and can give a massive profit to the movie companies.



This success convinced certain artists such as Tan Sri Jins Shamsuddin to come up with an idea to propose to the government to the revived local film industry, especially to encourage for Bumiputera entrepreneur to participate in the local entertainment industry.

National Film Development Committee was established on July 26, 1980 from that idea. One of its suggestion was to establish the National Development Film Cooperation (FINAS) that spurred the development of local film industry. The establishment of FINAS was accordance to National Development Film Act 1981 (Act 244) and was supervised by Ministry of Trade and Industry Malaysia at the early stage and now is put under Ministry of Multimedia and Communication.

National Film Policy (NFP) was fine-tuned in 2005 after it was formulated in 1997 to strengthen the local film industry, The policy is a blueprint for the local film industry to move ahead with its two primary objectives, (i) to develop local film industry to become more vibrant and compete with the international film industry and (ii) Malaysia is to become a destination hub for filmmaking. In providing more impetus to the NFP, National Creative Industry Policy (NCIP) was formulated and introduced in 2010 to spurred the growth of the creative industry as a source of income and jobs creation, one of the Malaysia strategy to become a high-income nation in 2020. Cabinet approved NCIP on November 2010 as a framework for local culture industry. NCIP encompassed three elements such as multimedia creative – produced film and television, advertising, animation, digital content and fine arts; cultural art creative industry – craft, visual art, music, performing art, creative writing and; cultural heritage creative sector – museum and archiving involving restoration and conservation.

In alignment with National Transformation Plan, the New Economic Model introduced by Prime Minister, Datuk Seri Najib Tun Razak for Malaysia to achieved high-status income in 2020. According to National Economic Advisory Committee Report (NEAC), for Malaysia to achieve high-income status, a strategic growth economic is significant for Malaysia to expand the creative industry – music, film, art and culture. As a result, the creative sector can become one of the vital economic hub in the future.

The moved by the government is according to the regional development which ASEAN nations such as Thailand, the Philippines and Singapore had used creative industry to generate income to their countries and at the same time introduced their own culture globally.

Globalization and its Impact on Malaysian Film Industry

Globalization of media at international level influenced the distribution of cultural product across the globe. The process of globalization was supported by the advancement of information technology and communication (ICT), allowed the cultural flow to be distributed globally swiftly. Before the convergence between information technology and communication, for example, television and radio, the government through its policy can control and filter foreign culture into the country by controlling the import of television program.

The convergence of ICT allowed the producer of the culture product can be dealt directly to the consumer without government intervention. This allowed the Western culture to be exported directly to the consumer without filtering by the government agency. Azizah Hamzah (2004), explained ICT revolution and open economy had begun in Malaysia, a globalization period, Various television programs and films entering Malaysian airspace and household through satellite which introduced international news and current affairs, entertainment, culture, education, history and nature originated from Hollywood, London and Tokyo, The impacts of the openness and media globalization weakening traditional institution and the state. Lokman and Azmi (2003), of the opinion, that media globalization has potential to displaced local culture to Western culture because the West is using the advantages it has such as ICT, politics and economy to disseminate its value to the developing countries. The Western value which is more modern and superior will replace local culture, Malaysian youths accept secular values, secularism and lifestyle shown in cultural products. The Malaysian youths remember more Western heroes such as Superman and Batman compared to local heroes, Tok Janggut and Mat Kilau, two Malay warriors who famous for their bravery and nationalism, fighting against British colonial. The distribution of Western values such as individualism, secularism and materialism are against local values which Islam embedded as its core that promotes family values, camaraderie and respecting the elders.

III. RESEARCH PROBLEM

Based on the media globalization and the monopoly of films and television programs by the West (Hollywood) and its impacts on local value, what action does the Malaysian government take to counter the effects. What are policies introduced to help local films industry to withstand the globalization wave that swept the Malaysian household?

Research Questions

Based on the research problem above, the researcher asks the following questions:

- 1) What is the status of the Malaysian film industry primarily on the script, production cost, exhibition, ticket sales, marketing and audience?
- 2) What are the policies formulated by the government to help the local film industry to be more vibrant and competitive?

Research Objectives

This study attempts to answer several questions based on the objectives that had been outlined.

- 1) To study the status of Malaysian film industry primarily on the script, production cost, exhibition, ticket sales, marketing and audience.
- 2) To research the policies formulated by the government to help the local film industry to be more vibrant and competitive.



IV. RESEARCH METHODOLOGY

For this research, the mixed method was used, including quantitative and qualitative. The used of the mixed method was for the researcher to obtain in-depth evidence the subject research and avoided mistakes or misguided data during analysis and conclusion.

Quantitative research uses survey. According to Azizah (2004), quantitative approached was a structured questionnaire to get quality information with a focus on a small sample,

The usage of qualitative technique allowed the researcher to knew and understood interviewees knowledge about the issues and not superficial or artificial that might influence respondents while giving the answers during the interview. But the qualitative technique has its weakness. As stated by Azizah (2004), size sample that had been used for respondents was low, and this brought difficulties to the researcher to get a more precise picture, and at the same time, the researcher might be gone overboard.

For qualitative research, the researcher chose a focus group discussion technique. Azizah (2004), explained this technique is famous among researcher to study culture, with this technique the researcher will select a group of individuals which specific criteria to have a discussion. It was used to extract inner feelings, attitude believes and knowledge inside them.

The researcher divided the discussion into three phases, first was in-depth interview among players in the local film industry, the audience from a professional background (Bernama TV staffs) and students from Media Studies Department University of Malaya. Among local players, interviewees were the President of Malaysian Film Producer Association, FINAS research Director and film directors.

For the survey, the researcher had distributed 300 survey forms at three locations that have cinemas. The sites were Alamanda, Putrajaya; IOI Puchong and One Utama, Petaling Jaya. The reason the survey forms were distributed at the cinemas to gain specific data from local movie buffs that watched local and foreign movies. From 300 survey forms distributed, the researcher only got 146 returned that answered the questionnaires. The survey forms were collected and brought to the computer lab to be analyzed. The process to input data was done extremely careful, including the coding process. Each time the data were input in the computer, the researcher will do another checking to avoid wrong data entries. After that, the analysis process began using SPSS software. Then the triangulation process was done to check the credibility of the data. Neuman (2011), stated that the triangulation process is a method where a researcher looks at a particular phenomenon from various perspectives compared to the conventional method that uses one methodology only.

V. DATA ANALYSIS AND DISCUSSION

Research Question (1) What is the status of the Malaysian film industry especially on a script, production cost, exhibition, ticket sales, marketing and audience?

Malaysian film industry has shown tremendous growth within ten year period (2006-2016) as a result of support by the Malaysian government and local audience that watched

local films. This can be seen in the titles of the films produced, ticket collection and the box office collection. This can be also seen in the tickets sold which double up the number from RM49 million in 2009 to RM126 million in 2011. The increased in the number films produced can be seen in the year 2000, only six titles films produced where four titles are comedy genre, one is drama, and the other one is war film. Regarding collection only two films got a hit between RM2 million to RM4 million. *Pasrah* managed to collect RM2.74 million where by *Senario Lagi* made a record hit with box office collection RM4.37 million. While *Mimpi Moon* dan *Anaknya Sazali* films stated not an excellent collection which is less than RM1 million (RM560 thousand for *Mimpi Moon* and RM220,000 *Anaknya Sazali*). At the same year, *Soal Hati* film had RM1.27 million tickets sold, but this is not happened to war film, *Leftenan Adnan*, the film that should showed the gallant of local hero, Leftenan Adnan Saidi who fought Japanese Occupation during World War Two. Famous director, Aziz M Osman directed it. The film only managed to collect RM1.08 million (shortage of RM420 thousand to recover RM1.5 million production cost). A well-received local cinema by local audiences became an eye-opener for producers to produce more films. Local films industry that had lost from the international radar of observer either locally and internationally had returned. This can be seen concerning the number of films produced from six titles in 2000 to 11 titles in 2001. The increasing number of claims produced also had significant impacts on the local film industry where there were increasing in the various film genre. From 2002 to 2012, there was growth in terms of total number of gross tickets collection in the year 2005, the gross of tickets sold revenue was showing increasing trend from total RM217.35 million, RM234.98 million (2006), RM288.96 million (2007), RM380.72 million (2008), RM430.03 million (2009), RM518.16 million (2010) and RM601.90 million (2011). In the year 2014 local film industry made a history where local film *The Journey* produced by Astro Shaw managed to get RM17.17 milion (56 days exhibition and was shown at 57 cinemas all over Malaysia). This revenue *beat* KL Gangster produced by Skop Productions which collected RM11.74 million (was demonstrated at 71 cinemas all over Malaysia). This revenue brought confidence to the local filmmaker to provide more quality films, and this year (2016), two films *Police Evo* and *Munafiq*, both respectively collected more than RM17 million revenue overtook *The Journey*. In 2017, *Abang Long Fadil 2* hit the RM18.15 million revenue to become the highest revenue collection in that year. For this year 2018, the horror film *Munafik 2* raked the highest ticket collection in the history of Malay film with RM37.72 million and followed by horror-comedy film *Hantu Mak Limah* directed by Mamat Khalid with ticket revenue when RM27.5 million within 15 days screening. It is a good sign of the revival of local films industry. For the first time two local films hit more than RM30 million in tickets collection (Refer to Table 1, below)



The Cultural Economy Development Agency (Cendana) with an initial allocation of RM20 million to spearhead arts and cultural development in Malaysia was established by former Prime Minister Datuk Seri Najib Tun Razak to spur development of creative industry (<https://www.thestar.com.my/news/nation/2017/09/17/cendana-to-launch-its-first-arts-funding-programme>). Film Incentive which was launched on the 19th of February 2013, has two main objectives: 1. To encourage Malaysian film producers to create creative content that is of high quality for international and domestic markets and; 2.

To attract foreign film producers carry out their filming activities in Malaysia and to turn Malaysia into an international film location. In so doing, a 30% cash rebate of the total cost of film production and postproduction will be paid to any foreign company working in Malaysia (Jamaluddin Aziz, Hasrul Hashim & Faridah Ibrahim, 2014). In Budget 2019, FIMI to get RM30 million allocation and Khazanah Nasional will also provide additional RM100 million for production at Pinewood Iskandar Malaysia Studios (www.thesundaily.my/archive/irda-says-2019-budget-line-its-plans-focus).

Table. 1 Top 10 local films with highest ticket collection

BIL	FILM	DIRECTOR	PRODUCER	GENRE	TICKET COLLECTION (RM / JUTA)	YEAR	TOTAL CINEMA
1.	MUNAFIK 2	SYAMSUL YUSOF	SKOP PRODUCTION SDN. BHD.	SERAM	37.72	2018	92
2.	HANTU KAK LIMA	MAMAT KHALID	ASTRO SHAW SDN. BHD. / INFINITUS GOLD SDN. BHD.	KOMEDI	36.23	2018	141
3.	PASKAL The Movie	ADRIEN TEH	SPECTRUM FILMS / ASIA TROPICAL FILMS	AKSI	22.00	2018	80
4.	ABANG LONG FADIL 2	SYAFIQ YUSOF	SKOP PRODUCTION SDN. BHD.	AKSI	18.15	2017	130
5.	POLIS EVO	GHAZ ABU BAKAR	ASTRO SHAW SDN. BHD.	AKSI	17.74	2015	44
6.	THE JOURNEY (Kantonis)	CHIU KENG GUAN	THE FILM ENGINE SDN. BHD.	DRAMA	17.17	2014	57
7.	MUNAFIK	SYAMSUL YUSOF	SKOP PRODUCTION SDN. BHD.	SERAM	17.04	2016	49
8.	OLA BOLA	CHIU KENG GUAN	ASTRO SHAW SDN BHD / GSC SDN BHD / MULTIMEDIA ENT. SDN BHD	DRAMA	16.67	2016	88
9.	BOBOIBOY THE MOVIE	MOHD NIZAM ABD RAZAK	ANIMONSTA STUDIOS (M) SDN BHD	ANIMASI	15.77	2016	106
10.	KL SPECIAL FORCE	SYAFIQ YUSOF	VIPER STUDIO SDN. BHD. / SKOP PRODUCTION SDN. BHD.	AKSI	12.22	2018	92

Source: FINAS/2018

Based on the Table 1 above it is obvious that local movie buffs are more interested in three genres that are horror, horror-comedy and action. Other genres such as drama and animation are also gaining attraction to viewers. For example BoboiBoy The Movie which collected RM15.77 million because it is a hit television series before the producer transformed to silver screen.

Based on an in-depth interview with the respondents, there were agreed that local films industry has shown tremendous growth compared to 30 years ago. All respondents interviewed by the researcher had decided that local films industry had potential to grow and received a good response from local audiences.

Razak Mohaideen (RM): “Overall I believed that the local film industry had shown its potential. If 20 years ago not many films produced, but now we can see between 20 to 30 films were produced each year, compared to 4 to 5 films produced 20 years ago. As the quantity is good, we can see the growth, and I believed it was an early sign that more and more entrepreneurs shown their interest to invest in the film industry. Before these, we can see only a few producers, but now the number was increasing.”

Ahmad Puad Onah (APO): “Malaysian film industry has increased regarding number films produced. If 20 years ago it can only produce 3 to 4 films in one year. The number has increased to 10 and 12 films each year, and in 2009 the number had increased to 50. Some still in the making some had finished and waiting to show at the cinemas.”

Although Malaysian films industry has shown some potentials to grow and become money generator to

Malaysia, it has to face 11 challenges that are connected to each other and need to be addressed by the industry players and the Malaysian government. Based on an in-depth interview from respondents, the researcher had come out with 11 themes that had become challenges for Malaysia to make its film industry more vibrant and competitive.

- Production cost – between RM1.2 million – RM1.5 million
- Script – storytelling the weakness
- Intellectual property – lack of awareness
- Actors/Actress – lack of quality in acting
- Unjust profit distribution – split 50%-50% between producers and exhibitors
- Easy to screen foreign films – no quota (days or numbers film imported)
- Low wages – among below the line (production crews)
- Local Audiences – 200,000 to 300,000 (not enough)
- Not enough cinemas – this problem has been addressed by the cinema company
- Not grant to help producers to export their films abroad
- Lack of promotion – producers, don't promote their films
- To many government agencies established to help local film industry

Issues that were highlighted by the researchers need to be addressed by the government holistically. To help revive Malaysian films industry the issues can't be settled individually because the industry is like a chain.



Without government assistance, local film producers are no match to Hollywood filmmaker who has a strong financial muscles, aggressive marketing and a good storyline.

The local film industry also needs assistance from Government Link Corporation (GLC) to give impetus to the industry, similar role by the Chebol (e.g. Samsung) who spearhead the Korean culture industry.

Research question (2) What are the policies formulated by the government to help the local film industry to be more vibrant and competitive?

National Film Policy (NFP) which was formulated and approved by the Malaysian government in May 1997, and amended in 2005 had provided strong support to local film producers that in dire need to have a conducive environment in the industry. The formulation of NFP with two primary objectives – i) to develop the local film industry to be more competitive and ii) Malaysia as a hub for filming. Two main implications after the implementation of NFP – one is the number of feature films produced had increased from 16 titles in 2003 to 42 titles in 2011 and showed tremendous increase in 2012 by 72 headings local feature films screened at the cinemas. At the same time, the exhibitors' segment had demonstrated significantly risen from 66 cinemas in 2005 to 119 cinemas in 2012 (www.finas.gov.my). Post-production facility also being built to facilitate the need of local film producers to do post-production. Respondents who were interviewed by the researcher had agreed NFP has great impacts to help the growth of the local film industry.

Benjamin Hasbie: “NFP is the tenet that catalyse the growth of the Malaysian film industry. The NFP has six strategies related to film production film, infrastructure, marketing, promotion and capital intensive to be given to local film producers. This program is a framework for industry players and FINAS as a body that supervises the industry. For example, an infrastructure program, the government allocated built studio complex and sound stage studio with Dolby quality. FINAS also introduced Compulsory Screening Scheme for a local film to be screened in the cinemas. This strategy allowed the local film to be screened in cinemas although at the same time Hollywood film had been showed.”

Align with NFP and national transformation economic programme, the government had introduced production incentive that is known as FIMI – 30 percent rebate to local film producers if the production cost more than RM2.5 million and foreign film producers if the production cost more than RM5 million and using local crews. At the same time the government will organize Kuala Lumpur Communication and Creative Industries, create more film companies, established Mycreative Ventures, a venture capital company that specialized in creating film company and invest in the film industry. For marketing purpose, FINAS will use cultural proximity theory that is trying to market Malaysian film according to the root similarity. For example, FINAS is targeting Indonesia, Singapore and Brunei as markets for Malaysian cinema. This is because of cultural proximity between those countries and Asean countries has approximately 600 population with same cultural root.

Research Question 3) To what extent the local audience

accepts the distribution of Western values through Hollywood films?

The entry of Western culture in Malaysia do not displace local culture, or some scholar said cultural imperialism, but what happened was the glocalization process and hybrid. If the race has strong self-confidence, they will filter the positive or negative elements in the Western values that is according to their values.

Respondent 27 (Paridah): “ I will filter negative and positive elements from Western values that shown in the films. The negative elements such as free sex that is against of Islamic teaching will be rejected, and the positive elements such as honesty will be accepted and adapt according to local customs.”

Based on quantitative survey, local audiences who were exposed to Western culture and values do not accept it directly. But they are actively searching and filtering meaning that can be adopted and adapted by local values and local cultures. Based on the survey, 55 respondents (37.7 percent) agree that they will filter the Western values they had watched in the movies whereby 39 respondents (26.7 percent) wholeheartedly agree but at the same time 22.6 percent or 33 respondents not sure, while 8.9 percent or 13 respondents disagree and 4.1 percent (6 respondents) strongly disagree.

VI. CONCLUSION

Based on the findings, the local film industry is in the process to revive itself to its former glory. After the slowdown process of the Malaysian film industry in 70's and 80', with the help of Malaysian government through Economy Transformation Programme, National Film Policy and National Creative Industry Policy gave impetus to the industry. The consistent assistance by the Malaysian government is needed to nurture and spur the industry. The entry of foreign films such as Hollywood according to local film producers has its impacts on local films industry concerning revenue collection, but the Western values convey through the films failed to displace local culture because of the education that taught the students to filter the values.

For local films industry, there is a market for Malaysian audiences. Based on the research majority of local audiences went to cinemas to released worked tension but still audiences that watch the local movie because of the story and technical quality. And the majority preferred comedy, horror and action. Local films have a high potential provided local producers can fine-tuned the script, invest more in production cost and insert educational values in the film.

The potential of the creative industry to become income wealth creation has proven. South Korea former late President, Kim Yeong-sam (1992 to 1997) when he compared successfully of Hollywood film, *Jurassic Park* which the revenue collection of the film was more than RM1 billion ringgit equivalent to Hyundai exporting 1.5 million vehicles yearly (Lee, 2010).



The successful of South Korea exporting its culture products through Hallyun (Korean Wave) is a living proof of how Asian country can export its culture globally.

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