



NEWS RELEASE

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INDIAN MOTION PICTURE AND TELEVISION INDUSTRY CONTRIBUTES USD 8.1 BILLION TO INDIA'S ECONOMY

Industry potential still held back by rampant piracy and complex tax system

MUMBAI/SINGAPORE - The Indian motion picture and television industry is one of the largest and fastest growing sectors, contributing c. USD 8.1 billion (c. INR 50,000 Cr.) to the country's economy, equating to 0.5% of GDP, in 2013, according to a new report launched on March 12. The sector also supports a significant 1.8 million (18.8 lac) jobs.

The 'Economic Contribution of the Indian Motion Picture and Television Industry', by leading financial services firm, Deloitte, was launched during a panel discussion at FICCI FRAMES, 2014, being held at the Renaissance Mumbai Convention Centre.

It was presented to an audience of leading film and TV industry representatives and media by the Motion Picture Dist. Association (MPDA), India, in partnership with the Federation of Indian Chambers of Commerce and Industry (FICCI) and local screen associations: The Film and Television Producers Guild Of India (FTPGI) and the Film Federation of India (FFI).

The report assessed the economic contribution of the wide range of sectors that make up the industry value chain, including film production and distribution, film exhibition, non-theatrical revenues¹, TV production, TV broadcasting and TV distribution and the fast-growing new media sector.

While the growth in total gross value added (GVA) of 15% over 2009² indicates the growing significance of this industry in the Indian economy, industry representatives were eager to reflect that the sector had the potential to contribute on a much greater scale if content was better protected and the complex taxation of the industry reviewed.

Speaking at the panel discussion 'Talking Numbers: Hard Facts about the Indian M&E's Economic Contribution', Siddharth Roy Kapur, Managing Director – Disney India, said, "The year 2013 has been an interesting one for the Media & Entertainment industry. For Filmed Entertainment it has been another year of strong growth for the theatrical business, which still accounts for the lion's share of overall revenue. For Television it has been a "wait and watch" year, driven by changes in the regulatory environment, a new ratings system on the anvil, an overall slowdown in advertising growth and finally, a mixed report card on digitization with lower

¹ Includes Cable and Satellite (C&S) rights, Digital / online rights, music and home video rights.

² In comparison to the MPA Economic Contribution of the Indian Film and Television Industry report, March 2010

than expected growth in DTH subscribers balanced by positive signs on carriage fee reductions.”

Sanjay Gupta, COO, Star India, said, “The media & entertainment sector in India has significant headroom for growth – unshackled, it can contribute as much as 0.5% to India’s annual GDP growth.”

Speaking on the current need of the industry, Sudhanshu Vats, Group CEO, Viacom 18 Media Pvt. Ltd., said, “There is need to build capacity across people, funding, technology and infrastructure. We need to add more than 2.5 million to the workforce over the next eight years. New funding models are needed to diversify risks for investors as well as to put together larger budget productions in line with global standards. Fragmentation of media consumption across platforms and devices along with individualization of consumer preferences demands for a structured approach towards investments in new and innovative technology solutions. Finally, an enabling infrastructure, including exhibition, internet access and broadband, theme parks, events and transponder availability, is crucial to be able to service the demand of the sector.”

Mukesh Bhatt, President, FTPGI, said, “In 2013, domestic box office collections accounted for 75% of total industry revenues. The demand for our movies on TV has boosted cable and satellite rights and online/digital aggregation revenues, which are expected to grow at a CAGR of 15% over the period FY 2013 through FY 2017. This is an important report that recognizes the contribution of our thriving film & TV industry to the Indian economy, which was estimated at c. US\$ 8.1 bn. c. INR 50,000 Cr. for FY 2013. Creating a business environment with a unified tax structure will help infuse growth in this sector which is currently affected by an array of taxes levied at every stage of film production, distribution and exhibition.”

Ravi Kottarakara, President, FFI, said, “India is the largest producer of films in the world, with 1602 films released in 2012, however up to 90% of those films do not release in cinemas, due to the inadequate number of screens in the country. The Indian film and TV industry supports 1.8 million jobs which include talented artists, technicians, directors and daily wageworkers whose livelihoods depend on the profitability of this industry, however piracy continues to create a negative impact on the profitability of our industry. This report is a timely reminder that while the Indian motion picture and television industry accounts for 0.5% of the GDP of India, the Government needs to address key industry growth drivers and challenges which include infrastructure development, facilitating faster clearances for foreign and Indian film productions and building a robust regulatory environment to deter piracy.”

Dr. Didar Singh, Secretary General, FICCI, said, “The Indian media and entertainment sector is a vibrant ecosystem; we produce the largest number of films and our motion picture and television industry is one of the largest and fastest growing sectors, contributing almost USD 8.1 billion to the economy, which translated to 0.5% of the GDP in 2013. The sector employs a large workforce and is responsible for training this human capital in its various subsectors. The full potential of this multi-faceted industry does not get realized, as we have thus far lacked the numbers to back the sector’s growth in terms of its actual contribution. This report and the very stimulating discussion at FRAMES 2014 will be tools for the stakeholder community and the regulators to understand the breadth of the sector’s possibilities and plan for strategic growth.”

Frank Rittman, SVP, Deputy Managing Director and Regional Policy Officer, Motion Picture Association, Asia Pacific, said, “This economic contribution report is a useful marker for the film and television industry to evaluate its success and growth across a wide range of business areas. There’s no doubt that the sector is fueled by talent, innovation and unrivaled entrepreneurship, and supports millions of people with quality, rewarding careers and jobs. The industry has come together in recent years to identify and find solutions to the key challenges

that have prevented the industry from achieving its full potential. These include rampant piracy, a burdensome taxation regime and an overly bureaucratic system for getting productions made and distributed. Government has a key leadership role to play shaping the future of the film and television industry, particularly in regard to providing robust copyright legislation and support for the Single Window Clearance initiative supported by the local screen community. We are privileged to be part of the screen community in India joining FICCI, FTPGI and FFI in sharing the same mission of building a vibrant industry, a dynamic online legitimate marketplace and addressing content piracy which will ultimately enhance the growth and progress of the people in the Indian creative community."

Key Findings of the Deloitte *Economic Contribution of the Indian Motion Picture and Television Industry 2013* include:

Total Contribution

- Film and TV contribute c. USD 8.1 billion (c. INR 50,000 Cr.) to the country's economy, equating to 0.5% of GDP
- Total gross output³ of c. USD 18.5 billion, (c. INR 115,000 Cr.)
- Supports 1.8 million (18.8 lac) jobs

A copy of the *Deloitte Economic Contribution of the Indian Motion Picture and Television Industry 2013* full report and infographic summary are available to view and download at www.mpaa-india.org.

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About The MPDA: The Motion Picture Dist. Association (India) Pvt. Ltd. (MPDA) is a wholly owned local office of the Motion Picture Association, and represents the interests of the American motion picture industry in India. MPDA works closely with local industry, government, law enforcement authorities and educational institutions to promote and protect the Indian film and television industry. For more information, please visit: www.mpaa-india.org.

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About The MPA: PROMOTING & PROTECTING SCREEN COMMUNITIES IN ASIA PACIFIC
The Motion Picture Association (MPA) and the Motion Picture Association International (MPA-I) represent the interests of the six international producers and distributors of filmed entertainment. To do so, they promote and protect the intellectual property rights of these companies and conduct public awareness programs to highlight to movie fans around the world the importance of content protection. These activities have helped to transform entry markets benefiting film and television industries in each country including foreign and local filmmakers alike. The organizations act on behalf of the members of the Motion Picture Association of America, Inc. (MPAA) which include; Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Universal City Studios LLC; Walt Disney Studios Motion Pictures; and Warner Bros. Entertainment Inc. The MPA and the MPA-I have worldwide operations, which are directed from their head offices in Los Angeles and Washington, D.C. and overseen in the Asia Pacific by a team based in Singapore.

³ Direct + Indirect – reflecting combined revenue of all film and TV industry participants.

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About FICCI: Established in 1927, FICCI is the largest and oldest apex business organisation in India. Its history is closely interwoven with India's struggle for independence and its subsequent emergence as one of the most rapidly growing economies globally. FICCI plays a leading role in policy debates that are at the forefront of social, economic and political change. FICCI's stand on policy issues is sought out by think tanks, governments and academia. Its publications are widely read for their in-depth research and policy prescriptions. FICCI has joint business councils with 79 countries around the world. A non-government, not-for-profit organisation, FICCI is the voice of India's business and industry.

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About The FTPGI: The Film and Television Producers Guild of India (FTPGI) is an autonomous non-profit premier film trade body comprising industry stakeholders. It is the principal negotiator with the Government on various critical issues, resolving intra and external trade disputes of the industry, liaising with foreign delegations to provide international exposure for its members, arranging conclaves for the benefits of members. Established in 1954 by the stalwarts of the Indian industry including B.N. Sircar, S. Mukherjee, the FTPGI is today the most progressive body in show business.

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About The Film Federation of India: The Film Federation of India was established to promote, protect the interests of the Indian Film Industry and allied industries and trades, including the interests of producers, distributors and-exhibitors of films and of all other persons connected with the film industry. The Federation also actively works to promote Indian cinema in global markets.

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