

**GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA**

STARRED QUESTION NO:345

ANSWERED ON:19.08.2004

EARNINGS BY CINEMA INDUSTRY

Nahata Smt. P. Jaya Prada;Suman Shri Ramji Lal

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether there has been a continuous increase in the foreign exchange earning potential of the cinema industry of the country during the last few years;

(b) if so, the details in this regard;

(c) whether the Government has formulated any scheme for the development and expansion of the cinema industry; and

(d) if so, the details thereof and the time by which the scheme is likely to be implemented?

Answer

THE MINISTER OF INFORMATION & BROADCASTING & CULTURE (SHRI S. JAIPAL REDDY)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) to (d) OF LOK SABHA STARRED QUESTION NO.345 FOR ANSWER ON 19.8.04.

(a) & (b): Yes, Sir. According to information received from the Film Federation of India (FFI), year-wise break-up of foreign exchange earned by the film industry during the last three years is as follows:

Year Amount (Rs. in crores)

2000-01	450
2001-02	900
2002-03	1040

(c) & (d) The Government has taken several initiatives to bring about changes in the entertainment sector in the interest of the overall development of this sector.

? Access to institutional and bank financing has been facilitated for the entertainment industry, including films.

? 100% Foreign Direct Investment in the film sector has been permitted on the automatic route.

? International visibility has been afforded to Indian films by participation in global markets.

? Film weeks and festivals are held on a reciprocal basis with various countries.

? Possibility of entering into audiovisual co production agreements on a government-to-government basis is being explored in order to expand the finances and creative inputs as well as the market access of the Indian film industry.

? In order to suggest a policy framework for the entertainment industry, both at the centre and the States, a Committee for Development of the Entertainment Sector has been set up.

? The Committee's recommendations, inter alia, include recommendation to reduce entertainment tax; facilitating a single point clearance by State Governments for foreign film crews shooting in India. These have been persuasively communicated to State Governments.

? In order to bring about a receptive investment regime in the entertainment sector, within India, a Committee has been setup to suggest a strategy to facilitate the flow of venture capital into the sector.