

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

STARRED QUESTION NO:225

ANSWERED ON:10.08.2010

FILM INDUSTRY

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

- (a) whether the film industry has a huge potential for earning foreign exchange;
- (b) if so, the details thereof alongwith the foreign exchange earned by this sector during each of the last three years and the current year;
- (c) whether the film industry has suffered due to unchecked piracy;
- (d) if so, the details of the losses suffered by the film industry due to piracy during the said period and steps taken to prevent the same; and
- (e) the steps being taken by the Government for the promotion and expansion of the film sector?

**Answer**

THE MINISTER OF INFORMATION & BROADCASTING(SMT. AMBIKA SONI)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 225 FOR ANSWER ON 10.8.2010.

The CII-A.T.Kearney report (Nov 2007) on The New Economics of Indian Film Industry has indicated that the Indian Film Industry has a potential for earning foreign exchange. According to the report, the key drivers of overseas box office revenues for Indian films are expected to be greater acceptability of Indian films and themes by global audience and improved distribution of Indian films on account of tie-ups with leading global distributors.

As per DGC&S, Department of Commerce, export value of cinematographic films falling under ITCHS 3706 during the last three years is as given below :-

| Year        | Export Value  | Export Value |
|-------------|---------------|--------------|
| (Rs. Crore) | (Million USD) | #            |

|         |       |       |
|---------|-------|-------|
| 2007-08 | 61.17 | 15.19 |
|---------|-------|-------|

|         |        |       |
|---------|--------|-------|
| 2008-09 | 127.97 | 27.82 |
|---------|--------|-------|

|         |        |       |
|---------|--------|-------|
| 2009-10 | 110.75 | 23.34 |
|---------|--------|-------|

#{Computed using the USD rate of 40.2607 in 2007-08, 45.9903 in 2008-09 and 47.4433 in 2009-10}.

No export data has yet been released for 2010-11.

The Ministry of I&B does not maintain data on the losses suffered by the film industry, on account of piracy. However, the FICCI -KPMG Media & Entertainment Industry Report 2009 has estimated that as much as Rs. 2000 crore is lost due to piracy annually in the case of films.

A Committee has been set up by the Ministry of Information & Broadcasting to recommend measures to combat film, video, cable and music piracy. The Committee is holding consultations with stakeholders.

The Indian film industry is in the private sector and the role of the Government is limited to that of a facilitator and catalyst. Government has taken several steps for promotion and expansion of the film sector by declaring films as an industrial activity thereby enabling film producers to access institutional finance and allowing 100% FDI in the film sector through the automatic route.

There are plan schemes implemented by the Government for promotion of exports of Indian films abroad through participation in various international film festivals, financing production of films in various regional languages with a view to fostering excellence in Indian cinema and promoting new talent and multi-lingual diversity and by providing quality human resource to the film industry through Government run film institutes. Other steps taken by the Government to promote Indian film industry include institution of State Awards for giving recognition to outstanding talents in Indian cinema, organisation of International Film Festival of India (IFFI) annually and organisation of Indian Panorama for promoting cinematic, thematic and aesthetic excellence in Indian cinema.