

## THE ANCHOR

# Indian media & entertainment sector rides the slowdown with a boom

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IT might come as a shocker in these times of recession and slowdown, but while many other sectors are facing the brunt with no immediate hopes of revival, India's media and entertainment industry is expected to touch a whopping Rs 1 trillion in revenues by 2013 driven by increased media penetration, reaching out to more among the country's huge population.

This is the finding of the KPMG-FICCI report on the industry released during FICCI-FRAMES, the annual three-day mega con-

vention on the media and entertainment business, by Minister of State for Information & Broadcasting and External Affairs Anand Sharma in Mumbai.

According to the report, in the last three years advertising spend grew by nearly 17.1 per cent, and due to advertising-driven sectors like television, print, radio and 'outdoor', it has been doing running steady compared to other sectors. However, that is not to say that the slowdown will not impact the industry. Growth could trickle down to 12.4 per cent.

Inaugurating the mega event, Sharma said that the government

## SPORTS MKTG TO GROW RAPIDLY

**Chennai:** The Indian media and entertainment industry has projected the rapid growth of sports marketing as broadcasters encouraged by the Indian Premier League example start aggressively selling cricket and other sports as entertainment packages.

With the economic downturn and liquidity crunch, the overall capability of funding for the industry might take a hit in the short-term but the long-term prospects are likely to be positive.

The media and entertainment

industry has targeted a CAGR growth of 12.5 per cent to reach Rs 1,052 billion by 2013. In 2008, the industry clocked Rs 584 billion, a growth of 12.4 per cent over the previous year, according to a FICCI-KPMG report on the sector.

The report highlights that the market environment has become increasingly challenging for the sector on the back of the economic slowdown and the consequent slowdown in advertising revenues, especially in the last quarter of 2008. — ENS

was seriously considering the industry's demand for subsuming entertainment tax in Goods & Services Tax (GST) which is slated for introduction from April 2010. "We will consider the entertainment industry's demand, articulated by FICCI, for inclusion of entertainment tax in GST itself, so that there is single tax on the industry," Sharma said that considering the economic slowdown, the government was prepared to consider further requirements of the media and entertainment industry to weather the adverse fallout of the global economic crisis.

"We have already increased DAVP advertisement rates by 24

per cent to give relief to the media industry in view of the recent hike in newsprint rates, and recently the customs duty on imported newsprint was lowered. We are still open and are willing to come out with a new relief package to provide a stimulus to the industry," Sharma said.

He said the government was in the process of amending the FM Phase II policy for the launch of FM Phase III in about 275 cities with as many as 790 channels. The government has also allowed political advertisements on FM radio with a view to mitigating the effects of falling advertising spend due to the economic slowdown.