Final Report

Report on

EVALUATION OF PLAN SCHEMES:
Export Promotion through Film Festivals
and
Participation in Film Markets in India and Abroad

Submitted to

The Ministry of Information & Broadcasting
Government of India

By

The Indian Institute of Public Administration
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EXECUTIVE SUMMARY

1. Objectives of the Study

The objectives of the study have been derived from the objectives of the two schemes. The objectives are to assess:

i. the efficacy of the international film festivals of India,

ii. the gains made through participation in foreign film festivals,

iii. the increase in exports of films as a result of the schemes,

iv. the enhancement of visibility of Indian films in the global market, and

v. the spread of awareness of Indian culture through the two schemes.

2. Methodology

2.1 The study team used the output and outcome evaluation approach to assess the impact of the two schemes. Outputs have been measured in terms of targets vis-à-vis performance both physical and financial and for outcomes, some indicators were determined on the basis of literature survey and in consultation with the experts to attempt the analysis.

2.2 Process evaluation has also been attempted to analyze and find out the most effective ways for implementation of the schemes.

2.3 The indicators for the scheme 'Participation in Film Festivals in India and Abroad' were identified to be:

(i) Participation in competition category of major festivals.

(ii) Participation in other categories of major festivals.

(iii) The number of film festivals to which entries were sent against accepted for screening.

(iv) Awareness about the Indian cinema in various countries assessed on the basis of representation of film personalities in various festivals.

(v) Increase in number of countries participating in the IFFI over the past few years.

(vi) The changing profile of the countries participating in the IFFI over the past few years.

(vii) Regional representation in the film festivals both in India and abroad.

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2.4 The indicators for the scheme 'Export Promotion through Participation in film Markets in India and Abroad' were identified to be:

(i) Participation in Film Markets abroad during major festivals during past 3-4 years.

(ii) Activities undertaken in those film markets.

(iii) Follow up activities.

(iv) Transaction recorded in those markets.

(v) No. and profile of countries involved in those transactions.

(vi) No. of countries participating in Film Bazaar organized during IFFI during past 3-4 years.

(vii) Transaction recorded during Film Bazaar.

3. Sources of Information

The data and information for the study were collected from various sources.

3.1 The data regarding budget allocation and expenditures and physical targets and achievements were supplied by the Ministry. Data regarding performance of film exports from India was collected from various sources like Ministry of Commerce and Industry, UNCTAD, Film Exporters' Association etc.

3.2 Website of various organizations and agencies like Directorate of Film Festivals, IFFI, NFDC, FIAPF, Cannes Film Festival, UK Film Council etc. were useful sources of information.

3.3 Annual reports of the Ministry and NFDC were also used by the study team to extract some relevant information.

3.4 The Reports of various committees set up for the sector from time to time.

It is important to mention here that not a lot of information is available.

4. Findings: *Export Promotion through Participation in Film Festivals*

4.1 The scheme, whose objective is the spread of Indian culture through the medium of good cinema, is implemented by the DFF. Organizing the IFFI, participation in foreign film festivals (PFF) and financing of foreign visits have been the three major activities under the scheme.

4.2 During the Tenth Plan, the scheme utilized about 70 percent of its approved outlay of Rs. 14.25 crore. The principal reason for this shortfall was the inadequate utilization of funds for the PFF. The allocation for foreign visits was small and yet unutilized.

4.3 Physical performance of the scheme shows that the targets were modest and, despite underutilization of funds, were usually exceeded.

4.4 The DFF selects 26 feature films annually, including 21 for their cinematic excellence, for non-commercial screenings. It also sends these to about 50 film festivals abroad. The scale of operations being too low, the direct macro impact of DFF's activities can only be negligible.

4.5 The indirect overall (macro) impact also does not seem to have been perceptible as there has been no clear positive trend in the value of film exports during the reference period, whichever data source is taken.

4.6 The direct limited impact, arising out of the export success of films which have received international acclaim or recognition, has not been visible as few films have obtained international success in recent years. Part of the reason is that the Indian film industry may not have been producing many films of international standard. Further, the films selected by the DFF are not the ones which are strong revenue earners.

4,7 The indirect limited (micro) impact does exist in cases where a filmmaker's film receives international recognition/award, but is limited to the other films of the successful filmmaker.

4.8 Though the impact of the scheme has been limited, the independent filmmakers value the scheme, as sending films to international festivals is an expensive and time consuming activity.

5. **Findings: Participation in Film Markets in India and Abroad**.

5.1 The objective of the scheme is to promote export of Indian films to provide a fillip to the industry and is implemented by the main secretariat of the Ministry of Information & Broadcasting (MoIB). In practice, the MoIB has been engaging the NFDC for the Indian film market and industry organizations for the film markets abroad. Only 20 percent of the allocated amount for the scheme goes to the NFDC for the Film Bazaar at the Goa festival.

5.2 Although the approved outlay for the scheme has been quite small, the same could not be spent in the initial years. Utilization increased from 2004-05 and exceeded the allocation in the last year of the Tenth Plan. It is difficult to assess the physical performance as no explicit targets are mentioned. But in recent years, under this scheme, markets have been organized in two or three leading film festivals in addition to the Film Bazaar during the IFFI.

5.3 The Film Bazaar began to be run professionally since 2007 when the NFDC was entrusted with the responsibility. The number of participants and the range of activities have improved in recent years. Though no details are available about the actual number of export deals signed, the Film Bazaar has been receiving favourable press coverage and enthusiastic response from the participants (as highlighted by our survey). The Bazaar by allowing professional contacts to be

established, marketing knowledge to be disseminated and networks to be established indirectly encourages exports and international exposure.

5.4 Participation in film markets abroad has so far been limited to only two or three film festivals. But these are important destinations and allow considerable exposure. The participation in Cannes has increased in scope and area. An expert's feedback, however, finds the NFDC's Film Bazaar better organized than the Indian Film market in Cannes.

6. Policy Analysis & Recommendations

6.1 There is need for greater clarity in the setting of policy objectives. Although the word 'export' has been used in the nomenclature of the two schemes, it may be better to understand it in a cultural rather than in the economic sense. In the cultural sense, the objective may be re-defined as increasing international viewership of good Indian cinema.

6.2 Whereas other countries (except the USA) have a small share of their domestic film market, this is not a problem in India. The policy objectives have therefore to be different for India. Neither can the value of film exports from India be seen as a problem because India is the largest film exporter among developing countries. The cultural objective of 'widest possible international audience for good Indian Cinema' is the desirable formulation for export of 'soft power'.

6.3 Based on this basic premise of clarity of objectives, the areas of policy intervention and the set of recommendations are given below.

Summary of Recommendations

ISSUES	POLICY/ INDICATORS	AGENCY
Objectives		
Primary Objective	To ensure widest possible International Audience for Indian Films	Responsible agency Ministry of Information & Broadcasting in association with film bodies and a proposed apex agency with the responsibility of policy research
Secondary Objectives	(i) Cultural objectives of National Identity, cultural diversity and cultural pluralism (ii) Economic objective of export promotion	
Outcome Indicators		
Cultural Indicators	(i)Awards won in International Film Festivals abroad and within the country (ii) participation in the competition sections of Foreign Film Festivals (iii) Number of artistic films screened abroad and media coverage received	The specific targets of these indicators need to be spelt out by DFF or other concerned agencies after due research and consultation
Economic Indicators	(i) Number and value of export deals finalized (ii) Exports of talent, and know how	MoIB with Ministry of Commerce and film bodies backed by research
Other Cultural Indicators	Variety(linguistic/cultural) of films exhibited in Foreign Film Festivals	The specific targets of these indicators need to be spelt out by DFF or other concerned agencies after due research and consultation
Activities		
Activity-1 To address the production constraint	A centrally sponsored scheme to promote the production of quality films in various languages and states	The MoIB together with state agencies (to be set up where they are absent) for research, development, script writing, technical support, infrastructure etc. for production of quality films (in association with the NFDC and other agencies)
Activity-2 To address the deficiencies in evidence based policy formulation, appraisal, implementation and evaluation	Establishment of a centre/unit for developing the data base and conducting policy, research & evaluation studies	The modalities could be decided by the MoIB
Activity-3 To address the deficiencies in marketing in distribution strategy	Development of a distribution plan identifying potential markets, emerging markets etc.	An apex policy advise body to be set up, not necessarily a new one, to formulate the

		strategy in consultation with various stakeholders
Activity-4 To address the limitations of the plan scheme of export promotion through participation in film festivals	(i) increase in the number of films selected (ii) increase in the number of film festivals to which the films are sent (iii)media strategy	DFF to be made more professional with the intake of staff with industry background
Activity-5 To address the limitations of the plan scheme of participation in film markets in India & abroad	(i) increase in the number of film markets participation (ii) larger and more broad based participation of the Indian film industry and professional delegates (iii) developing partnership	NFDC, and not the MoIB to undertake this responsibility. A marketing strategy to be developed by NFDC in association with other agencies and learning from Unifrance and Telefilm
Activity-6 To address the absence of an apex policy advise agency	A quasi government agency with control by board of professionals and industry stalwarts for policy advise to the MoIB on the lines of UK Film Council Telefilm Canada, CNC France, Korean Film Council etc.	The body could be set up by upgrading and restructuring an existing body like the DFF

CHAPTER – 1

FILM EXPORTS FROM INDIA AND MAJOR MARKETS

India produced its first film on May 3, 1913, but it already had exposure to cinema. Lumiere Brothers' representatives had started public screening of their films in India as early as July 7, 1896, almost simultaneously with the screenings in UK and US. Today India is the largest producers of films in the world. Additionally, it produces films in 26 languages[1] (See Table 1.1(a)). It produces more than 1000 films per year in different languages (Table 1.1 and 1.1(a)). It is pertinent to mention here that some films are not sent to censor board by producers. Though estimates for the same are not available, experts opine that the number would not be big and such films cater to local rural markets only.

Table No. 1.1: Number of films certified by Censor Board year-wise

Year	No. of Films
1999	764
2000	855
2001	1013
2002	943
2003	877
2004	934
2005	1041
2006	1091
2007	1146
2008	1352

Source: Annual Report of Ministry of Information & Broadcasting, GoI

[1] The number is based on the data related to certification by Censor Board.

Table NO. 1.1 (a) Central Board of Film Certification, Indian Feature Films Certified from 1.4.2008-31.3.2009 (Region-wise-language-wise) Celluloid Films

Language	Mum	Kol	Che	Ban	Thi	Hyd	Nd	Cut	Guw	Total
Hindi	192	0	15	10	2	39	1	0	0	259
Gujarati	60	0	0	0	0	0	0	0	0	60
Marathi	112	0	0	0	0	0	0	0	0	112
Bhojpuri	64	2	0	0	0	0	0	1	0	67
Kannada	0	0	0	194	0	0	0	0	0	194
Tamil	10	0	120	3	9	23	0	0	0	165
Telgu	13	0	35	9	8	213	0	0	0	278
Punjabi	12	0	0	0	0	0	0	0	0	12
English	6	1	1	0	0	0	0	0	0	8
Rajasthani	3	0	0	0	0	0	0	0	0	3
Bengali	4	58	1	0	0	0	0	9	0	72
Konkani	2	0	0	0	0	0	0	0	0	2
Malayalam	2	0	1	1	62	16	0	0	0	82
Kumaoni	1	0	0	0	0	0	0	0	0	1
Uttaranchali	1	0	0	0	0	0	0	0	0	1
Oriya	0	2	0	0	0	0	0	17	0	19
Santhali	0	1	0		0	0	0	0	0	1
Kortha	0	1	0	0	0	0	0	0	0	1
Tulu	0	0	0	1	0	0	0	0	0	1
Lambani	0	0	0	2	0	0	0	0	0	2
Assamese	0	0	0	0	0	0	0	0	50	5
Maithili	1	0	0	0	0	0	1	0	0	2
Korborok	0	0	0	0	0	0	0	0	1	1
Kodava	0	0	0	2	0	0	0	0	0	2
Rajbanshi	0	1	0	0	0	0	0	0	0	1
Nagpuri	0	1	0	0	0	0	0	0	0	1
Total	483	67	173	222	81	291	2	27	6	1352

So, as far as the numbers are concerned, we match the status of superpower. But is that reflected in the reach of Indian Cinema World-wide? One indicator would be to see the share of Indian film exports in the World's film trade. But before that, at this juncture, it would be appropriate to see the performance of export of Indian films which can be captured from the following table for export of Indian films from 2000-2001 to 2007-2008.

Table No. 1.2: Export of Indian Films from 2000-2001 to 2007-2008

Period	Export of Cine Film Exposed & Developed W/N Incorporating Sound Track/Consisting Only of Sound Track (Rs. Lakhs)	India's Total Export (Rs. Lakhs)	%Share of Film Exports to Total Exports	%Growth in Film Exports
2000-2001	11,292.31	20,357,101.65	0.0555	
2001-2002	8,358.13	20,901,797.56	0.0400	-25.98
2002-2003	7,533.25	25,513,728.41	0.0295	-9.87
2003-2004	6,401.66	29,336,673.98	0.0218	-15.02
2004-2005	8,187.86	37,533,953.56	0.0218	27.90
2005-2006	7,216.72	45,641,786.98	0.0158	-11.86
2006-2007	8,328.76	57,177,926.53	0.0146	15.41
2007-2008	6,116.76	65,586,352.04	0.0093	-26.56

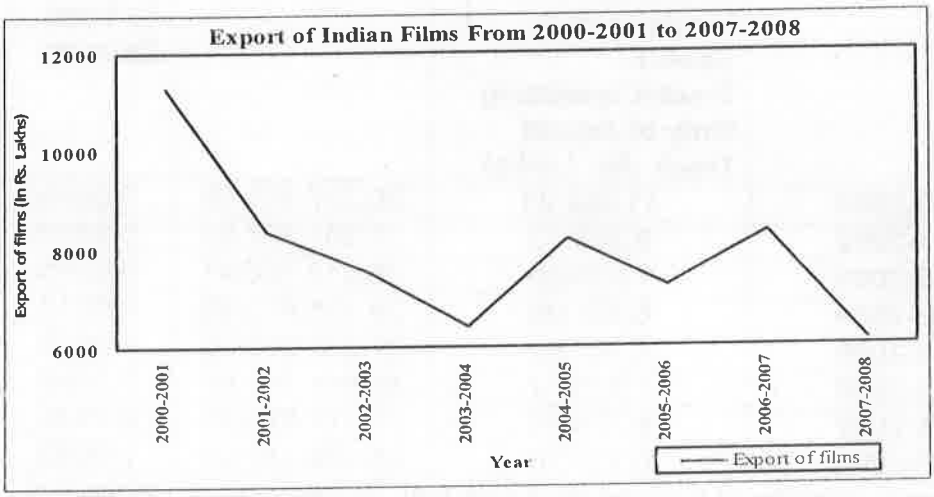
Source: Ministry of Commerce & Industry, Department of Commerce, Government of India, http://commerce.nic.in/eidb/default.asp

The HS Code 3706 has been taken to capture the export of films in the current study. It was also suggested that chapter 85 of Customs and Excise may also be covered. But finally we decided to take only HS code 3706, because the purpose is to see the trend and not the value, which all the experts agree that data is not available for full volume. Looking at the above Table No 1.2, a decreasing trend of export of Indian film is observed from 2000-2001 to 2007-2008.The highest exporting period is observed in 2000-2001 with Rs. 11,292.31 lakhs and the lowest is in 2007-2008 with Rs.6,116.76 lakhs. The percentage share of film export to overall export is observed to be negligible and is actually declining over the period which indicates that it would not be appropriate at this juncture to say that growth in

film exports may lead to boost in total Indian exports. The percentage growth in film exports is not indicating any stable trend. It is indicating a fluctuating growth rate with a negative growth of -26.56% during the period 2007-2008. This decline of film export is also plotted below in the figure no. 1.1.

The figure no.1.1 given below is indicating that exports of films is reducing over time and it became quite small in recent period, compared to 2000-01.

Figure No. 1.1: Export of Indian Films from 2000-2001 to 2007-2008



It is clear from the above figure that export of film is showing a sharp fall from 2000-2001 to 2003-2004. A fluctuation in the export is observed between 2003-2004 till 2007-2008.It only rose in 2004-2005 and 2006-2007 and it is showing a declining trend in rest of the periods till 2007-2008.

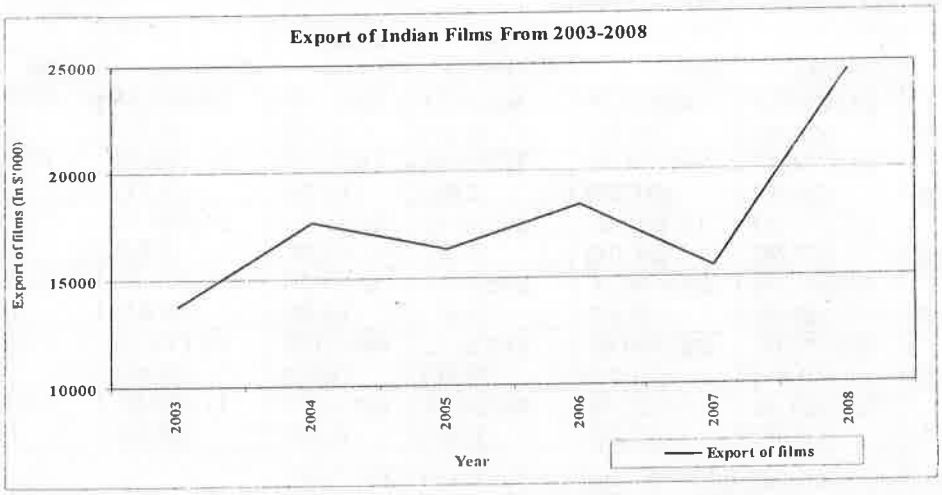
We get the above picture when we deal with the data from the Ministry of Commerce & Industry, Deptt. of Commerce, Government of India. The same result is obtained when a different source, the United Nations Conference on Trade and Development (UNCTAD), is taken:

Table No. 1.3: Trend of Export of Indian Films from 2003 to 2008

Year	Export of film ($ '000)	Growth Rate	Total World Trade ($ '000)	Share of Indian Film Export in World Trade
2003	13,760.167		573,139.583	2.40
2004	17,658.131	28.32788	666,701.195	2.65
2005	16,362.937	-7.33483	665,806.688	2.46
2006	18,373.033	12.28445	737,125.993	2.49
2007	15,526.914	-15.4907	815,125.372	1.90
2008	24,637.022	58.67301	771,551.377	3.19

Source: United Nations Conference on Trade and Development (UNCTAD)

Figure No. 1.2: Export of Indian Films from 2003-2008



The above Table no. 1.3 and Figure no. 1.2 give the same picture as that of the Ministry of Commerce & Industry when the export of film is analyzed over the years, except for the last year of 2008. The export of film is at its peak in two periods 2004 and 2006 which is already observed when the data from the Ministry of Commerce & Industry is analyzed. The UNCTAD source gives additional information regarding the export. The previous analysis is based on the export of

films till 2007-2008. It is apparent from the above figure that the export of film is showing an upward shift from 2007.

The figures are indicative enough- 2 to 3 % (2003-2008) share in the global trade is too small for a big film making country. A study by KPMG, sponsored by FICCI in 2009 indicates a growth rate of 22.7% CAGR (2006-08) in film exports that may appear to be somewhat healthy, but in the context of world trade, it would still be very small. Apparently, there is huge potential of increasing this rate provided concerted efforts are made. The first and foremost is that the vision for the film industry would have to be in the global context, i.e. in terms of world audience and not merely restricted to Indian Diaspora.

Let us also look at the world export scenario.

Table No. 1.4: Share of Film Exports of Different Countries to World

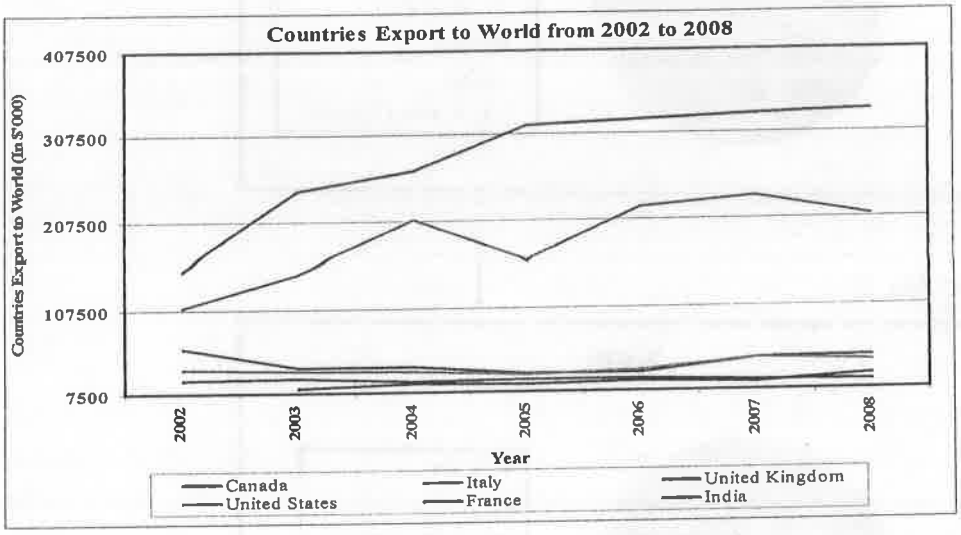
Countries Film Exports (% share in World trade)								(in $'000)
Year	Total World Trade	Canada	Italy	United Kingdom	United States	France	India	Rest of the Countries
2003	573,139.583	242647.99 (42.34)	148803.10 (25.96)	37905.71 (6.61)	33431.41 (5.83)	24,693.84 (4.31)	13760.17 (2.40)	71897.36 (12.54)
2004	666,701.195	265714.31 (39.86)	208394.80 (31.26)	37746.48 (5.66)	31635.28 (4.75)	21,165.89 (3.17)	17658.13 (2.65)	84386.30 (12.66)
2005	665,806.688	317877.53 (47.74)	159882.53 (24.01)	29018.46 (4.36)	28201.77 (4.24)	21,422.12 (3.22)	16362.94 (2.46)	93041.34 (13.97)
2006	737,125.993	323765.56 (43.92	220898.26 (29.97)	28831.68 (3.91)	32767.91 (4.45)	22,175.59 (3.01)	18373.03 (2.49)	90313.96 (12.25)
2007	815,125.372	329370.67 (40.41)	233110.62 (28.60)	44839.92 (5.50)	44850.00 (5.50)	19,773.39 (2.43)	15526.91 (1.90)	127653.86 (15.66)
2008	771,551.377	334503.65 (43.35)	210253.48 (27.25)	46064.67 (5.97)	40654.61 (5.27)	17,232.31 (2.23)	24637.02 (3.19)	98205.64 (12.73)

Source: United Nations Conference on Trade and Development (UNCTAD)

It is apparent from the table no. 1.4 that in 5 years time, India's share in world exports of films remained below 2% up to 2007. Only in 2008 it increased to 3% of the World trade.

The trend of film export of top six countries, 2008 can be followed from the above table no. 1.4 and the figure no. 1.3 given below:

Figure No. 1.3 Comparison of India's Film Exports to World with top film exporting Countries



Apparently, india has not been able to match the trends of other top film making countries. It may appear surprising that Canada is exporting more and United States so less. But, it appears true in view of the fact that, as one expert pointed out, many Hollywood films are released and exported from Canada.

Canada was the top film exporter to the world in 2003 and it is still the top exporter.The following Pie Charts for two different years 2003 and 2008 are helpful in understanding the trends more clearly. India is at the lowest position among the top six countries of 2008 for both the years 2003 and 2008.

Chart No. 1

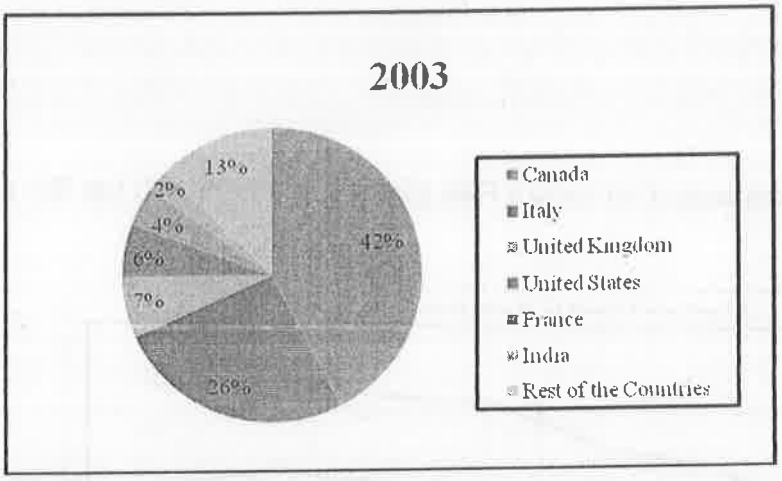
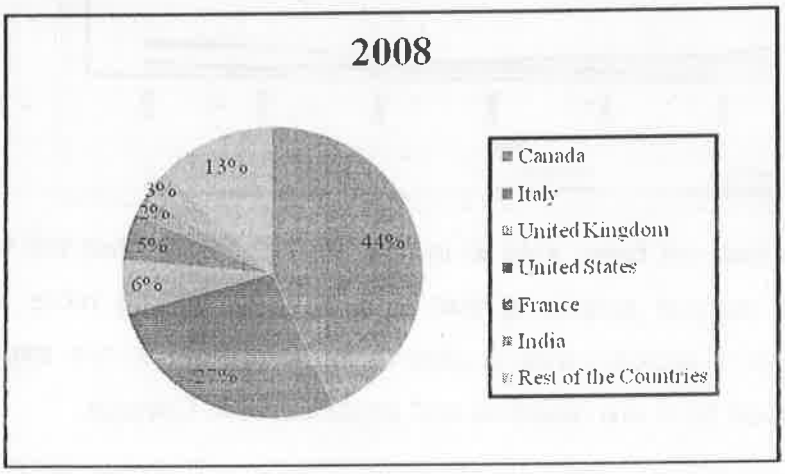


Chart No. 2



Major Markets for Indian Films

Table No. 1.5 Major Markets for the Indian films in two different time periods 2000-2001 and 2007-2008

Continents	2007-2008 (Values in Rs. Lacs)	2000-2001 (Values in Rs. Lacs)
World	6,116.75	11292.31
Europe	1360.43 (22.24)	3284.73 (29.09)
North America	1645.85 (26.91)	3099.77 (27.45)
Rest of Asia	1310.09 (21.42)	2324.85 (20.59)
Middle East Asia	767.79 (12.55)	1463.83 (12.96)

Africa	446.06 (7.29)	579.05 (5.13)
South Asia	255.75 (4.18)	318.59 (2.82)
Australia	330.7 (5.41)	215.44 (1.91)
South America	0.1 (0.00)	6.06 (0.05)
Source: Computed from Ministry of Commerce & Industry		

Export to almost all the continents—viz. Europe, North America, South America, Africa and Asia -- declined over time. As a result the export to world also decreased. Export to world decreased to Rs. 6,116.75 Lakhs in 2007-08 from Rs. 11292.31 Lakhs in 2000-01 which is considered as a major fall in export of films. In 2000-01 Europe was the top importer of Indian films but it was reduced to the second position in 2007-08 and its place has been taken by North America. Import of Indian films by Australia increased in 2007-08 as compared to 2000-01. It came to 6th rank in 2007-08 from 7th in 2000-01.It is simply the opposite for South Asia. It was at 6th position in 2000-01 and it fell to 7th in 2007-08.Rest of the continents were able to retain their position over the periods.

Table No. 1.6: Export of Indian films to different continents in 2007

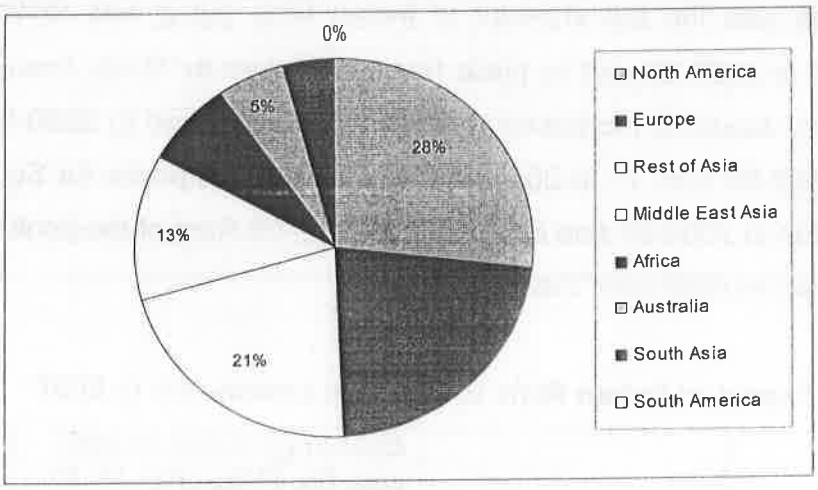
Continents	**Values in $ '000**	**Exchange value in 2007 was Rs.44(approx.) = 1$ (in Rs. Lakh)**
World	15526.914	6831.84
North America	4105.001	1806.20
Europe	3488.329	1534.86
Rest of Asia	3402.3	1497.01
Middle East Asia	1923.143	846.18
Africa	1193.14	524.98
Australia	889.621	391.43
South Asia	524.34	230.71
South America	0.019	0.01

Source: Computed from UNCTAD

Comparing the two different sources for export of Indian films in different continents in 2007-08 gives same ranking of continents with respect to export of Indian films to continents though there is a slight difference in export values between two different sources which could be due to variation in exchange value of Rupee with $ as well as slightly different years (2007-08 versus calendar year 2007).

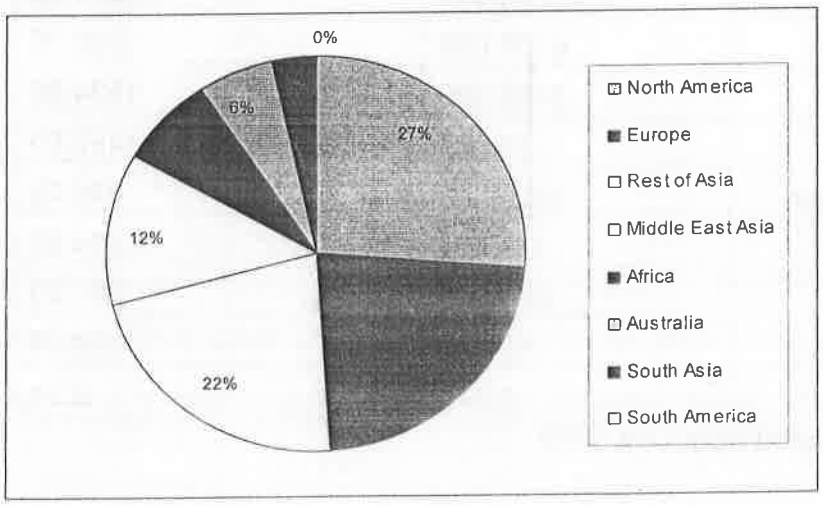
Export of Indian films to different continents can be converted into the following Pie Chart from the above Table No.'s 1.5 & 1.6.

Chart No. 3



Source: *Computed from Ministry of Commerce & Industry*

Chart No. 4



Source: *Computed from UNCTD*

The Pie charts transparently indicate the distribution (or export) of Indian films among different continents. The above chart clearly depicts that North America is the highest importer of Indian films and South America is the lowest. India exports 27% of its films (in terms of value of exports) to North America, 22% to both Europe and Rest of Asia. Then the percentage slowly decreases from Middle East Asia at 13% to South America at 0.1%.

Table No. 1.7 Top Five Countries for Export of Indian Films in two time Periods 2007-08 and 2000-01

Table No. 1.7 (a) Export of Indian Films during 2007-08

Countries	2007-08 (Values in Rs. Lakhs)
United States	1404.19 (22.96)
United Kingdom	1208.03 (19.75)
Malaysia	854.05 (13.96)
United Arab Emirates	739.61 (12.09)
Singapore	335.06 (5.48)
World	6,116.75

Source: Ministry of Commerce & Industry, Government of India

Table No. 1.7 (b) Export of Indian Films during 2000-01

Countries	2000-01 (Values in Rs. Lakhs)
United Kingdom	3065.79 (27.15)
United States	2705.85 (23.96)
United Arab Emirates	1444.48 (12.79)
Malaysia	799.18 (7.08)
Hong Kong	722.63 (6.40)
World	11292.31

Source: Ministry of Commerce & Industry, Government of India

When the top five countries are compared between two time periods 2000-01 and 2007-08 in terms of major national markets for Indian films, it is observed that the United Kingdom is at the top in 2000-01 and the United States is at the second top position in the same period with a difference of Indian film export value of Rs. 359.94 Lakhs between the two countries, UK exceeding USA. The United Arab Emirates is at third, Malaysia at fourth and Hong Kong has the fifth rank during

2000-01.A different picture is seen during 2007-08. The United States took the position of United Kingdom and the United States imported Rs. 196.16 Lakhs more than United Kingdom during 2007-08. There is also an interchange observed between Malaysia and the United Arab Emirates. Malaysia jumped to the third rank and the United Arab Emirates was reduced to the fourth position with respect of import of Indian films. A new market, Singapore entered in the fifth position during 2007-08 whose position was occupied by Hong Kong during 2000-01.Top five film markets of India during the two time periods can be more clearly understood with the help of the following figures.

Chart No. 5: Export of Indian Films in Top Five Countries in 2007-08

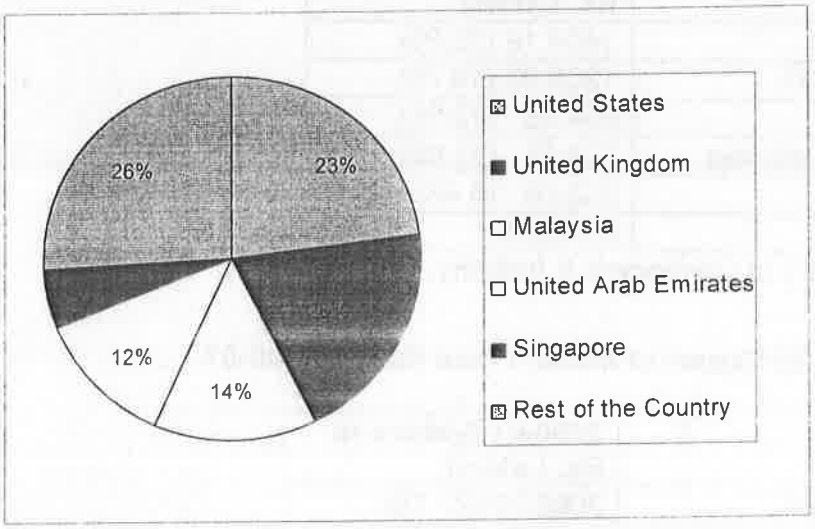
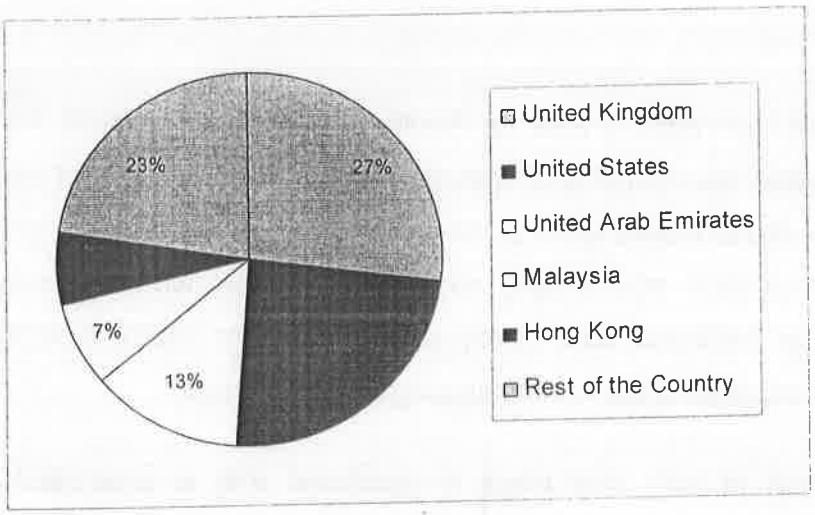


Chart No. 6: Export of Indian Films in Top Five Countries in 2000-01



Governmental Support to the Sector in Other Countries

It is interesting to speculate if government policy is a factor in Canada being among the top exporter of films. "Canada Council for the Arts" provides grants and services to professional Canadian artists and various art organizations.The organization of media arts is also one among them. The Canada Council also provides grants to film and video artists for the up gradation of their cultural artistic expression. The Council provides funds to the artists for creative renewal and for independent production of film and video works. Grants to Film and Video Artists program offers grants for research or creation, production and scriptwriting. Research Grants provide opportunities for creative renewal, experimentation, professional development and research. This concentrates the artists for a full-time program of work for a specific period of time. This enhances the artist's skill in practicing combined experimentation, exploration and research in conjunction with production. Production Grants provide the direct costs of production and post-production of independent film or video works. Scriptwriting Grants cover the direct costs of scriptwriting for independent film and video artworks.

The council provides grants for Aboriginal artists and artists from diverse cultural and regional communities of Canada and the council does not support work created for the cultural industries of commercial film and television. Priority is given to works of innovation and artistic expression whose work stresses on the development of an individual style or expressive approach and/or a commitment to questioning and expanding the formal language of media arts.

Government of Italy also plays a significant role in promotion of Italian Cinema worldwide. The Ministry of Culture-Direction Cinema, Government of Italy plays an important role to promote Italian Cinema abroad and increase the distribution of their films on the international market. FilmItalia was formed for promoting Italian Cinema worldwide. In order to encourage promotion of Italian cinema by foreign sales of Italian film products, FilmItalia has identified a series of key steps to be implemented over time.

Although the number of international festivals in which Filmitalia is actively involved are over a hundred. Film Italia's major functions involve the collaboration with all the major International film festivals like Cannes, Berlin, Venice, Toronto, Shanghai, Locarno, New York and London. The function also includes the organization of the national selections, the presence of Italian films and artists in the various festivals, and providing its own expository and promotional space within all the major international film markets designed to provide support to the distributors and other Italian film industry professionals, so as to increase and maintain the industry's visibility and distribution abroad. It is also involved in the numerous events in various countries with strong commercial potential, for example the Italian Screenings in Italy, the Festival of Italian Cinema in Japan, Open Roads – New Italian Cinema in New York; and maintains contacts between the artists, festivals, buyers and the Italian film industry. The FilmItalia provides training and studies to achieve constant improvement in the film promotion system and finally the creation of new development opportunities.

In brief the functions that are played by Italian Government to promote Italian Cinema are developing incentives and promotions, collaborating with Italian and foreign institutions and Film Commissions, implementing various projects to increase the participation of Italian productions in international festivals, promoting initiatives to find funds, studying and analyzing promotional models used abroad and the mechanics of foreign festivals and events. They constantly search for new foreign opportunities for the Italian film industry.

A separate film council exists for United Kingdom that provides development fund for films. The main objective of the "development fund" is to encourage the home writers, directors and producers and to widen up the quality, range and ambition of film projects developed in the UK. The fund aims to identify and encourage the emerging filmmakers, screenwriters, writer/directors and producer who have not had a feature film released on UK television. Awards up to £25,000 is offered to develop a feature film.

Screen Australia's objective is to interpret the Australian culture in its home as well as in overseas through development of a vibrant, successful and dynamic screen industry, which is responsive to audiences. Screen Australia supports innovation throughout the industry and Australian screen professionals in creating outstanding Australian content across a wide range of platforms. For participation in various film festivals like Cannes the agency contacts all the producers and gives them guidance as to what to do and what not to do etc.

South African govt. has developed a statutory body named The National Film & Video Foundation (NFVF) for the development of the South African film and video industry. The main goal of the NFVF is to focus for a quality South African film and video industry that is representative of the nation, commercially viable and encourages development. The NFVF runs under the guidance of highly respected film professionals with diverse expertise in the film and television industry. Normally South African contingent in various film festivals is large as compared to few films produced by the country.

CHAPTER – 2

THE STUDY

One of the mandates of the Ministry of Information and Broadcasting is to promote good Indian cinema. Various policy measures have been taken from time to time by the Ministry and several schemes have been launched. Participation in Film Festivals in India and Abroad is one of such schemes. The activities undertaken under these schemes provide a unique platform for an exchange of ideas, culture and experiences between India and other countries in the field of cinema. It also provides a powerful platform for Indian cinema and fosters commercial opportunities for Indian films.

The role of the Ministry in increasing the visibility of rich and diverse Indian culture through Indian film industry in other countries is of paramount importance. The scope is further increasing with the growing globalization and could be of immense help in penetrating overseas markets. There is increasing evidence of it happening now.

In this context, the Ministry has decided impact study and evaluation of two schemes. The names of the schemes covered under the study are:

1. Export promotion through Film Festivals: the scheme aims at promoting good Indian cinema through participation in film festivals and, thereby, spreading the rich and diverse Indian culture through the medium of cinema.
2. Participation in Film Markets in India and Abroad: the scheme intends to promote the export of Indian films and thereby provide a fillip to the film industry.

OBJECTIVES

The objectives of the study have been derived from the objectives of the two schemes. The objectives are to assess:

I. the efficacy of the international film festivals of India,
II. the gains made through participation in foreign film festivals,
III. the increase in exports of films as a result of the schemes,
IV. the enhancement of visibility of Indian films in the global market, and
vi. the spread of awareness of Indian culture through the two schemes.

METHODOLOGY

The two schemes under evaluation are complimentary in nature and often the activities under the two are simultaneous. Therefore the study team decided to analyze the two simultaneously wherever appropriate. It may be mentioned here that the assessment of the impact of the two schemes is not so tangible given the nature of the sector and the target of the schemes being very wide in scope covering continents. However, the study team used the output and outcome evaluation approach to assess the impact of the two schemes. Outputs have been measured in terms of targets vis-à-vis performance both physical and financial and for outcomes, some indicators were determined on the basis of literature survey and in consultation with the experts to attempt the analysis. Obviously, they correspond to the objectives of the schemes. Process evaluation has also been attempted to analyze and find out the most effective ways for implementation of the schemes. The indicators for the scheme 'Participation in Film Festivals in India and Abroad' were identified to be:

I. Participation in competition category of major festivals.
II. Participation in other categories of major festivals.
III. The number of film festivals to which entries were sent against accepted for screening.
IV. Awareness about the Indian cinema in various countries assessed on the basis of representation of film personalities in various festivals.

V. Increase in number of countries participating in the IFFI over the past few years.
VI. The changing profile of the countries participating in the IFFI over the past few years.
VII. Regional representation in the film festivals both in India and abroad.

Similarly, the indicators for the scheme 'Export Promotion through Participation in film Markets in India and Abroad' were identified to be:

I. Participation in Film Markets abroad during major festivals during past 3-4 years.
II. Activities undertaken in those film markets.
III. Follow up activities.
IV. Transaction recorded in those markets.
V. No. and profile of countries involved in those transactions.
VI. No. of countries participating in Film Bazaar organized during IFFI during past 3-4 years.
VII. Transaction recorded during Film Bazaar.

The data and information for the study were collected from various sources. The data regarding budget allocation and expenditures and physical targets and achievements were supplied by the Ministry. Data regarding performance of film exports from India was collected from various sources like Ministry of Commerce and Industry, UNCTAD, Film Exporters' Association etc. Website of various organizations and agencies like Directorate of Film Festivals, IFFI, NFDC, FIAPF, Cannes Film Festival, UK Film Council etc. were useful sources of information. Annual reports of the Ministry and NFDC were also used by the study team to extract some relevant information.

The sector is such that the content of the analysis had to be more qualitative than quantitative and therefore discussions with important stakeholders proved quite fruitful. The discussions were held with the officials of the Ministry, Directorate of Film Festivals, National Film Development Corporation and office bearers of various Associations like FICCI, East India Motion Pictures Producers Association,

The Film and TV Producers Guild of India and many others. Besides that the study team also benefited from discussions with these stakeholders using different semi-structured open ended questionnaires depending on the area of activity of the particular stakeholder. While there were some common threads, other questions differed from one stakeholder to the other. Additionally, the study team used the Reports of various committees set up for the sector from time to time for analysis. The study team used the Karanth Committee Report, 1980, Expenditure Reforms Committee 2000 etc. Some other sources have been quoted in the report at appropriate places. However, it is important to mention here that not a lot of information is available.

Chapter -3

Export Promotion through Participation in Film Festivals.

The Scheme

The stated objective of the plan scheme is *"promoting good Indian cinema by encouraging its export through participation in film festivals and, thereby, spreading the rich and diverse Indian culture through the medium of cinema*[2]*"*. The objective therefore is the spread of Indian culture through the medium of good cinema and the chosen means to achieve this end is participation in film festivals.

The agency entrusted with the plan scheme is the Directorate of Film Festivals (DFF). The scheme is implemented through (i) organizing the annual International Film Festival of India (IFFI) held, since 2004, in Goa; (ii) by sending Indian Films to Film Festivals abroad, (iii) by financing foreign tours related to festivals and, lately (but not during the Xth Plan), (iv) providing financial and other support for the organization of film festivals by other agencies in India.

The total approved outlay for the scheme, during the Tenth Plan, was Rs. 14.25 crore; the actual utilization however was only 70 percent of the budgeted amount (see Table- 3.1).

Table 3.1 Budget and Expenditure for the 10th Plan Period

(in rupees lakh)

Year	Approved Outlay	Actual Expenditure	% Expenditure
2002-03	209.00	188.51	90.20
2003-04	250.00	238.55	95.42
2004-05	265.00	160.32	60.50
2005-06	348.00	256.34	73.66
2006-07	353.00	145.70	41.27
2002-07	1425.00	989.42	69.43

Source: Ministry of Information & Broadcasting.

[2] Ministry of Information & Broadcasting's write upon the plan scheme.

The bulk of the budget is allocated for the organization of Film Festivals and nearly half of this amount is allocated for participation in foreign film festivals. The amount allocated for foreign travel is small (refer Table-3.2).

Table 3.2 Head-wise (Plan Scheme) budget and expenditure for last five years

(in rupees thousands)

	IFFI promotion through Film Festivals in India & Abroad		Participation in Foreign Film Festivals		Foreign Travel		Total	
	BUDGET	EXPENDITURE	BUDGET	EXPENDITURE	BUDGET	EXPENDITURE	BUDGET	EXPENDITURE
2004-05	15200	15904	9800	3896	1500	850	26500	20650
2005-06	22500	14581	10500	10472	1800	566	34800	25619
2006-07	22500	9933	11000	4065	1800	363	35300	14361
2007-08	25000	15804	11000	4905	2200	1387	38200	22096
2008-09	25500	23586	12300	8343	2200	178	40000	32107
Total	110700	79808	54600	31681	9500	3344	174800	114833
% utilization		(72.09)		(58.02)		(35.2)		(65.69)

Source: Ministry of Information & Broadcasting, Government of India

The process followed by the DFF in *"promoting good Indian Cinema"* begins with the selection of *"good"* films which are defined as "films of cinematic, thematic and aesthetic excellence"[3] and is open to both feature and non-feature films. The DFF calls for applications, once every year, for entry of films in the Indian Panorama (IP). From the entries received, the final selection of films for the Panorama is done

[3] ibid.

by two sets of juries— one each for feature and non-feature films. The members of the juries are selected from major regional film production centres and there are seven members for feature and five for non-feature films (including the chairpersons). The number of finally selected films is 26 feature and 21 non-feature films. Out of 26 feature films, 21 are from the entries received. The Film Federation of India and the Film Producers Guild nominate ten films based on their *"popular appeal and box-office receipts"*, out of which five films are selected by the jury for inclusion in the Indian Panorama.

Once a film is selected, the DFF has the right to buy one or more prints at a cost that covers the raw material and processing charges. The DFF's mandate is *'non-commercial use'* and, therefore, it cannot use the prints for commercial screenings. The selected films are first screened at the Indian Panorama section of the IFFI and thereafter "used for participation in various international film festivals, film weeks, Indian Panorama festivals and other non-commercial screenings within the country and abroad at the discretion of Directorate of Film Festivals and the Ministry of Information & Broadcasting". The producers of the films, though not paid, are expected to be kept informed of such screenings.

Performance Evaluation

(1) Based on the data in Table-3.1, it can be seen that the scheme utilized only about 70 percent of its approved outlay. The disaggregated picture, given in Table-3.2, shows that shortfall has been large in the case of participation in foreign film festivals (PFF), with less than 60 percent utilization of funds allocated for the purpose. Seventy two percent of the budget was utilized under the head of Film Festivals. But a meager 35 percent of the foreign travel funds, which are about 2 percent of the scheme, were spent. The financial performance, especially with regard to PFF, has been quite inadequate.

(2) The data on physical performance, in relation to the targets, is shown in Table-3.3 and Table 3.4 for which we have the data. It can be seen from the Tables that the outputs exceeded the targets set in the case PFF and were met in the case of IFFI and the Indian Panorama (1 each). Foreign Travels, whose targets are not indicated, shows a small usage.

Table – 3.3 Physical Targets and Achievements

Year		Targets	Achievements
2007-08	Quarter1	IFFI - Nil, PFF - 11 IP - Nil, FT**	IFFI -Nil, PFF - 13 IP - Nil, FT - 2
	Quarter2	IFFI - Nil, PFF - 11 IP - Nil, FT**	IFFI -Nil, PFF - 16 IP - Nil, FT - 1
	Quarter3	IFFI - 1, PFF - 11 IP - 1, FT**	IFFI -1, PFF - 10 IP - 1, FT - 1
	Quarter4	IFFI - Nil, PFF - 12 IP - Nil, FT**	IFFI -Nil, PFF - 15 IP - Nil, FT - Nil
2008-09 (Ist Half)	Quarter1	IFFI - Nil, PFF - 11 IP - Nil, FT**	IFFI -Nil, PFF - 13 IP - Nil, FT - 1
	Quarter2	IFFI - Nil, PFF - 11 IP - Nil, FT**	IFFI -Nil, PFF - 16 IP - Nil, FT - Nil
	Quarter3	IFFI - 1, PFF - 11 IP - 1, FT**	
	Quarter4	IFFI - Nil, PFF - 12 IP - Nil, FT**	

IFFI - International Film Festival of India
PFF - Participation in Foreign Film Festival
IP - Indian Panorama
FT** - Foreign Travel ** (No targets fixed)

Source: Ministry of Information & Broadcasting, Government of India

Table-3.4 Activities of Directorate of Film Festivals

S.No.	Activities	2005-06		2006-07		2007-08		2008-09	
		Target	Achievements	Target	Achievements	Target	Achievements	Target	Achievements
1	Indian Panorama	1	1	1	1	1	1	1	1
2	Film Festivals under cultural Exchange Programmes and other exposition abroad								
	a. In India	6	5	6	3	6	5	6	6
	b. Abroad	6	3	6	4	6	5	6	6
3	Participation in Foreign Film Festivals including Transportation of Films	45	35	45	46	45	39	46	52
4	National Film Awards	1	1	1	1	1	1	1	1
5	International Film Festival of India	1	1	1	1	1	1	1	1

Source: Annual Report, MoIB, GOI, 2008-09

Outcome/Impact Evaluation

(i) Direct Overall (Macro) Impact

The direct impact on the Indian film industry's exports could arise from the fact that the films chosen for the PFF and the IFFI are the leaders in export values thereby raising the export figures of the entire industry. This could be a result of their large numbers or high export values, or both.

When we examine the direct overall impact of the scheme 'Export Promotion through participation in Film Festivals', we are first struck by the smallness of the intervention. As per data available, the country produces annually about 1000 feature films, with an increasing trend. Discussions with DFF officials revealed

that only about 100 entries are received annually for the Indian Panorama. The number of selected feature films is only 26, or 2.6 percent of the annual production. These films are then shown in the IP section of the IFFI and in about 40-50 Foreign Film Festivals in a 'non-commercial' manner by the DFF. Surely, the DFF is not expected to export, but exports may increase as a result of the screenings of these films at the IFFI & due to participation in foreign film festivals. .

It can therefore be inferred that greater participation in Indian and foreign film festivals, in terms of numbers and in terms of quality, may enhance the chances of exports. But participation in foreign film festivals (50 or so) is extremely low. The Wikipedia lists over 249 major international feature film festivals. The International Database of Film Festivals lists 1406 festivals (http://www.festivalfocus.org/). The Directory of International Film & Video Festivals lists 1300 festivals over 80 countries (http://www.britfilms.com). So, in terms of the number of films selected and the extent of its exhibition abroad, the impact is likely to be insignificant. It is, of course, possible that a few critical successes may lead to exports, provided the successes are 'big'. But, as the next section shows, big successes have generally eluded the selected films.

The International Film Festival of India, which is the other major vehicle for export promotion under the scheme, can also serve as a showcase for Indian films for international audiences. The participation in the IFFI, however, is rather low. The following Table-3.5 gives the number of delegates attending.

Table-3.5 Participation at the IFFI

Year	No. of Invited Delegates	Total No. of Delegates
2006	239	4700
2007	188	3700
2008	325	6400

Source: IFFI Report 2008

The IFFI screened 124 foreign films from 44 countries in 2008-09. Larger participation of foreign films may be helpful as it brings in more foreign participants. But the competition section had 15 films (including two Indian) and the Cinema of the World had 53 films. The website http://www.filmfestivalworld.com/ ranks the top thirty festivals based on 'media attendance' and 'attendance'. The IFFI does not figure in either list. Looking at attendance figures the Goteborg Film Festival, which is at the bottom of the list of thirty, the website reports an attendance of 124,500. In terms of screening, Goteborg screens 400 films and tops the list of festivals based on screenings. The festival in the 30th position is Calgary International Film Festival with 170 features screened.

The size of the budget is also small by international standards. In 2004, the Danish Film Institute (for a small country like Denmark) spent € 5.3 million on 'distributing and promoting Danish films domestically and internationally' (the task done by the DFF). This comes to approximately Rs. 29 crore. The UK Film Council's 2004-05 budgets for 'Distribution & Exhibition' Fund was £ 8 million. The amount is also quite small compared to the value of Indian film exports, which was over Rs. 70 crore annually.

(ii) Indirect Overall (macro) Impact

But the possibility of an overall indirect impact needs to be examined. Overall indirect impact would arise if, as a result of the scheme, Indian cinema in general is able to attract global audiences and attention. Some of the arguments of the previous section apply in this case also. For this we also need to examine the data on aggregate film exports and its trends. Further, as seen in the first chapter, the complete data on film exports from India is difficult to obtain and different sources give conflicting figures. At the six digit level, 3706 & its subdivisions, the average annual exports during 2002-07 (Xth plan period) was Rs. 75.33 crore as per DGCI&S data and fluctuated in the range Rs. 64 crore to Rs. 83 crore. The UNCTAD data for 2003-07 showed an annual average export of $ 16,336 thousand

or, using an exchange rate of 45:1, Rs. 73.51 crore, which is quite close to the DGCI&S figure. In both these data there is no clear trend during this period. Nevertheless, these figures may not reflect the true magnitude of exports. The CMIE's company level data of foreign exchange earnings by Film companies shows an average annual export of about Rs. 140 crore during the period 2002-07 (see Annexure 3.1). Again, except for a sharp increase in the last year of the plan, there is no clear trend, but the fluctuations are quite extreme. The fluctuations may be due to the nature of the data source where all the companies may not be reporting either on time or accurately their foreign exchange earnings. But the significantly higher annual average foreign exchange earnings thrown up by the CMIE data, when compared to DGCI&S or UNCTAD data, reveals the difficulties in estimating the value of exports in this sector. The DGCI&S & UNCTAD data relate to merchandise *"export of cine film exposed and developed W/N incorporating sound track/consisting only of sound track"*. Film exports more often involve export/assignment/sale of *'rights'* to distributors. A typical rights agreement outline is given below:

Table 3.6- A sample rights agreement

Assignor's Name	Assignee's Name	Cast	Lease Period	Agreement Date	Rights
Ms. Gangani Film Productions	M/s. Madhu Videotec Pvt. Ltd.	Naresh Kandolia, Roma Manek, Ramesh Mehta, Kalpana Diwan and others	11 years from the date of delivery	3/29/2000	Commercial, Non-Commercial, Theatrical and non-theatrical 35mm/16mm/8m, Video Copyrights for Video Cassettes, Discs Laser Disc, Digital Video Disc, Digital Varsatile Disc, Varsatile Compact Disc, DVD, VCD, Karoake, Television(Terrestrial TV) CCTV (Cable)

Source: http://www.filmexporters.com/admin/showdetails.aspx (Indian Film Exporters Association)

The agreement may involve outright (one time) payment or a share (periodic) in royalties. The value of rights would be far greater than the value of merchandise (i.e. film) and is likely to fall in the category of 'export of services' for which data is not available in disaggregated form. Thus based on trade data, as well as foreign exchange data of companies, despite their limitations one cannot conclude that film exports have increased during the Xth plan and therefore see it as a 'success' of the plan scheme in however remote a manner.

Further, and this is an obvious argument, the type of films that are quantitatively important for exports (in terms of revenue), are different from the type of films selected by the DFF, which are based on ' cinematic excellence'. However, there is also a conflict of objectives as a window is also provided to films having box-office success. Five such films are selected by the DFF every year, but twenty one films are chosen for their artistic worth. The plan scheme therefore tries to strike a compromise between 'art' and 'commerce', trying to achieve what often are conflicting aims. Some in the mainstream industry, have criticized the government's Cinema Export Policy as relying mistakenly and heavily on so-called 'art' films and giving a step-motherly treatment to commercial cinema.[4] It is also well know that as far as export earnings are concerned, the commercial film houses like Yash Raj Films are quantitatively far more successful and have little or no relation to the films with artistic excellence promoted by the DFF. Therefore, it is far-fetched to believe that the plan scheme may have an indirect overall impact on the promotion of exports of Indian films.

(iii) Direct Limited (micro) Impact

But perhaps it is too much to expect that a small annual average expenditure of about Rs. 2 crore only, made by a small organization like the DFF, will have an overall impact on exports of the entire Indian film industry. It is perhaps more relevant to look at the limited impact on the films chosen to be showcased by the DFF. The 'success' of a film in a festival and the subsequent demand for its viewing is usually based on the awards it receives. Among the films exhibited for the Indian Panorama, the films selected for the National Film Awards for Best Feature Film

[4] Jindal Suresh "The Big Picture: Creating a Cinema Export Policy", The Times of India, 21.01. 1999

and for Best Non-Feature Film are included. The NFDC website gives a list of award winning Indian films, 74 in total. But, during the period under study (the Xth Plan period 2002-07), only four films fall in this list as shown below:

Table 3.7- International award winning Indian films 2002-2007

Name of Film	Direction	Year	Festival Participation/Awards
Vastupurush	Sumitra Bhave & Sunil Sukthankar	2002	8 Maharastra State Awards-Best Story, Best Screenplay, Best Dialogue, Best Lyrics, Best Actor, Best Actress, Best Supporting Actor, Best supporting Actress/National Film Award for Best Marathi Film 2003/9th Festival Cine Feast, 2003 Doha/26th Hill Valley Film Festival;. South Korea, 2003.
The Change (Parinamam)	Venu	2003	Ashdod International Film Festival Israel-Best Screenplay Award/Malayalam Film Festival Dubai, 2003/Chennal International Film Festival, 2003.
Raghu Romeo	Rajat Kapoor	2003	Locarno International Film Festival-Plazza Grande/Rotterdam International Film Festival/Barcelona Asian Film Festival-Closing Film/Toronto Reel World Film Festival Films From South, Oslo/Stockholm International Film Festival/Batik International Film Festival, Perugia/Floating Film Festival, Florida/Florence Indian Film Festival/Trivandrum International Film Festival/Kolkata International Film Festival/ Mami Film Festival Mumbai-Best Film Award/Dhaka international Film Festival-Best Actor/River to River Florence Indian Film Festival, Italy, 2003/33rd Rotterdam, International Film Festival, 2004/Floating Festival Janpa Florida, 2004/Annual Film Festival Toronto, 2004.
Prohor	Subhadro Choudhury	2003	Down Under International Film Festival, Darwin, Australia-Best Actress/Indira Gandhi National Award (Golden Lotus), New Delhi-Best Director Asian Competition, International Film Festival of India-Special Jury Award (Silver Peacock)

Source: NFDC website

It can be seen from the list that three of the films received one award each in international festivals held abroad: Parinamam (Israel, Best Screenplay), Prohor (Australia, Best Actress) and Raghu Romeo (Bangladesh, Best Actor). All other awards are in India. Further, except for Raghu Romeo, the participation in the international festivals has been little. None of the awards received is in one of the leading 30 international film festivals.

The films represented in the table above include only the NFDC produced films, and therefore does not represent the entire list of Indian films that may have received international recognition/awards. But the NFDC is perhaps the leading producer of 'sensible cinema' which finds favour in international film festivals. The DFF could not readily provide a list of international award winning Indian films in recent years. Nor could we obtain a list showing participation in the competition section of leading international film festivals by Indian films. Nevertheless, it may be noted that in the decade of 1980s four Indian films made their entry in the Cannes competition section (Ek Din Pratidin, 1980; Kharij, 1983; Ghare-Baire, 1984; and Genesis, 1986). In the following decade only one film could make it into this list (Swaham, 1994). Thereafter, in the last 16 years, no Indian film has been selected for the Cannes competition section indicating that the quality of Indian films produced may not be of the requisite international standard.

The fact that twenty one feature films are chosen every year and are sent to 40-50 foreign film festivals every year, and of these only three has won awards in (not the best) international festivals in five years, reflects poorly on the performance of the scheme. But the problems, as we shall discuss in Chapter 5, may lie somewhere else. There is a view that India is not producing good world class films. According to Buddhadev Dasgupta, "Indian cinema has never been programmed for festivals, mostly we make song and dance extravaganzas, which are great fun, but never taken seriously... whereas sensible cinema fails miserably. Untouchability still exists in India, you can make a good sensible film on this issue but do not

expect the foreign audience to accept it...you cannot deal with Indian problem which is not known abroad." Failures in film festivals then can re-enforce the perception that Indian films are not good enough and adversely affect the demand for the films chosen for international promotion.

Finally, 21 of the 26 feature films selected by the DFF are not the ones which are great box office successes. The following list gives the names of commercially successful Indian films of 2009.

Table 3.8- Top 10 Hindi films by net box office in India.

Original title	Country of origin	Director	Distributor	Net box office (in USD Million)
3 Idiots	IN	Rajkumar Hirani	Reliance Big Pictures	53.12
Ajab Prem ki Ghazab Kahani	IN	Rajkumar Santoshi	Shemaroo	18.54
Love Aaj Kal	IN	Imtiaz Ali	Eroz Internationa	15.59
Wanted (2009)	IN	Prabhu Deva	-	15.23
De Dana Dan	IN	Priyadarshan	Venus	13.22
Kambhakht Ishq	IN	Sabir Khan	Eros International,	12.89
Paa (2009)	IN	R. Balki, Ricky Sandhu	Reliance Big Pictures	12.61
All the Best:Fun Begins	IN	Rohit Shetty	-	12.29
Kaminey	IN	Vishal Bhardwaj	-	12.23
New York	IN	Kabir Khan	Yash Raj Films	10.91

Source: IBOS Network, IMDB, OBS (as quoted in Focus 2010: World Film Market Trends, Marche Du Film)

This can be compared with the DFF selected films for the same year given in Annexure 3.2. The lists show that there can be no direct overall (macro) impact of the plan scheme on film exports.

(iv) Indirect Limited (micro) Impact

Can the success of even a few films in festivals create an interest and demand for similar films? Similarly, can showcasing of a particular film in a festival, even if it does not win any award, create a demand for similar types of films? There

is some evidence, discussed in Chapter 5, that success in festivals does create a demand not only for the particular film, but also for other products of the filmmaker. The success of 'Uttara' in at the Venice Film Festival (2000), where it won the festival's special director award, brought Buddhadev Dasgupta into limelight. As a result, in Dasgupta's own words, *"my films get selected for the festivals because of my independent identity, they go for my films, they have been seeing my films, sometimes they enter my film without even seeing it."*

But this relation cannot be broadened to include either Bengali or Indian films. In fact, as is well known, Indian cinema (unlike the Chinese or Iranian) has not become a brand. Individual filmmakers have, of course, been able to develop a following. But as has been noted by even international observers"for the majority of Indian filmmakers, particularly those working outside the Bollywood mainstream, there is still a large disconnect between them and the international market". But it is not the mainstream Bollywood films that are picked by the DFF to be showcased in film festivals. It is generally the 'independent' filmmakers whose films usually make it to the festival circuits. But their export market, as the Screen noted, is limited. "While a few 'independent' Indian films are selected each year for overseas film festivals, few are picked up by international sales agents or receive a commercial release either at home or in overseas markets. Indeed, India has not been a major destination for sales agents, distributors and festival programmers, who face an uphill task uncovering the few exportable gems from an avalanche of production in dozens of languages."

Brief Survey

The DFF was requested to furnish a list of names (with their contact details) of filmmakers whose films were selected by the DFF for the Indian Panorama. The DFF provided the following six names:

1. Smt. Aruna Raje Patil
2. Shri Umesh Kulkarni
3. Shri Bani Prakash Das
4. Shri Prashant Pethe
5. Shri Krishnan Sheshadri Gomatam
6. Shri Umesh Aggarwal

A questionnaire was mailed to them requesting the following information:

1. Name of the film chosen by the DFF
2. The year of make and the year in which it was selected
3. The film festivals, both in India & abroad, where the film was screened through the DFF
4. The awards won by the film in these festivals
5. To what extent did the participation in these film festivals help in the export of the film (indicating the countries to which the film was exported) and
6. Any suggestions/comments about the functioning of the DFF.

Responses were received from only two of the filmmakers, namely Shri Bani Prakash Das and Shri Prashant Pethe. Shri Das's film **Distant Rumblings** was selected by the DFF in 2008. Although the film was screened in a number of film festivals, all of them were festivals held in India. Shri Das mentioned that the "*DFF has helped tremendously the film makers from all the corners of the Country to*

promote their films, which they made in a very small budget and we are very happy to get such a co-operation from DFF, which also inspire us to make more films".

Shri Pethe's film **Gabhricha Paus-The Damned Rain** was also selected by the DFF in 2008 and screened in the Indian Panorama in 2009. Shri Pethe was unaware of the festivals where the film may have been selected through the DFF, except Indian Panorama film festival in Nagaland and one Indian film festival in Beijing, China. The film premièred at the International Film Festival Rotterdam, in 2009. It was also the official selection in a number of international film festivals such as in Warsaw, Los Angeles, Durban and Vancouver. Shri Pethe mentioned that the film was sent personally by him to a number of festivals. He also felt that the film could have been sent to a larger number of festivals. He recommended that there could be "*two rounds of selection throughout the year from DFF for the Panorama. This way films which are made in the beginning of the year can also be selected and their potential explored throughout the year".* Shri Pethe felt that the DFF has an important role to play in support of independent filmmakers: *"Most of the good films are made by independent producers and hence the role of DFF to explore their potential internationally becomes important by sending it to as many festivals as possible as it is not always possible for independent filmmakers to send it to festivals as this can be an expensive affair".* However, the film **The Damned Rain,** as per its website, did not win any international award although it received an award at the international film festival of Pune in 2009.

Conclusion

The above survey results only reinforce the earlier findings that the films selected by the DFF have not won international awards in recent years. It has been over one and a half decade since an Indian film was selected for the competition section in the Cannes Film Festival. The survey also shows that the DFF may not be in touch with the filmmakers whose films had been selected for the Indian Panorama. The filmmakers on their own have been sending films to international festivals and, although the DFF's role is considered important, the expectations

from the DFF are higher than its performance. Therefore, to conclude, the impact of the plan scheme in promoting exports can be represented in the following matrix:

Table 3.9- Impact of the Plan Scheme

	Overall/Macro	**Limited/Micro**
Direct	Imperceptible	Limited
Indirect	Imperceptible	Limited

And the reasons for the limited impact on exports, briefly stated, are:

a. The DFF selects annually only 2-3 percent of the films produced and is mandated to screen them 'non-commercially'.
b. A major portion of the scheme's budget is for organizing the IFFI and less than a third of the allocation is for PFF and, moreover, less than 60 percent of the allocated amount was actually spent. The overall allocation compares unfavorably with other countries.
c. The selected films are screened in about 50 international film festivals which is a rather small number compared to the opportunities available. The IFFI is also not among the top thirty film festivals.
d. The types of films selected by the DFF are not usually the big revenue earners.
e. In recent years Indian films have not been doing well in terms of awards or selection in competitive sections of leading film festivals. This may be, according to knowledgeable sources, due to inadequate number of production of the 'right' type of films.
f. The aggregate film export data does not reveal any distinct trend during the tenth plan period, whichever data source is taken.

Independent film makers, nevertheless, find DFF's help in sending films for participation in foreign film festivals very useful.

Foreign Exchange Earnings of Film Companies

Annexure 3.1

Company Name	Annual Rs. Crore 1999-00	Annual Rs. Crore 2000-01	Annual Rs. Crore 2001-02	Annual Rs. Crore 2002-03	Annual Rs. Crore 2003-04	Annual Rs. Crore 2004-05	Annual Rs. Crore 2005-06	Annual Rs. Crore 2006-07	Annual Rs. Crore 2007-08
Balaji Telefilms Ltd.	0.09	0.18	0.14	0	0.4	1.09	0	264.6	256.24
G V Films Ltd.	0	0	0	0	0	0	0	0.85	177.9
U T V Software Communications Ltd.	7.12	16.68	9.38	3.69	1.86	10.05	20.88	49.28	84.84
Pyramid Saimira Theatre Ltd.				0	0	0	0	0	35.07
Baba Arts Ltd.		0	0	0	0	0	17.05	5.5	13.45
Adlabs Films Ltd.	0	0	0	0	0	0	7.24		12.17
Synergy Adlabs Media Ltd.							0	6.19	8.69
Pritish Nandy Communications Ltd.	0	2.5	0	0.21	0	0.88	2.82	5.85	3
K Sera Sera Productions Ltd.			0	0	0	0	4.32	0	1.43
Balaji Motion Pictures Ltd.								2.75	1.05
Shree Ashtavinayak Cine Vision Ltd.						0	0	0	1
Fame India Ltd.				0	0	0	0	3.97	0.98
B A G Films & Media Ltd.			0	0.01	0	0	0	0.12	0.76
Radaan Mediaworks India Ltd.			0	1.03	2.38	1.06	0.97	1.08	0.6
Mukta Arts Ltd.	8.99	2.03	9.68	2.48	0.48	3.29	0.52	0.08	0.52
Cinevistaas Ltd.	1.94	1.52	0.41	0	0.5	6.27	3.04	1.53	0.39
Moving Picture Co. (India) Ltd.			0.31	0.78	0.57	1.57	4.86	0.72	0.22
Sri Adhikari Brothers Television Network Ltd.	11.56	54.79	31.68		0.9	1.15	0.13	2.27	0.13
A.T N International Ltd.	0	0	0	0	0	0	0	0	0.09
P V R Ltd.	0	0	0	0.14	0.14	0	0.2	0	0.05
Runwal Multiplex Pvt. Ltd.					0	0	0	0	0
Filmcity Media Ltd.	0	0	0	0	0	0	0	0	0
Mukta Tele Media Ltd.					0	0	0	0	0
Padmalaya Telefilms Ltd.	0	0	0.3	0	0.22	0	0	0	0

P N C Productions Ltd.			0	0		0	0	0	0
Garnet International Ltd.	0.11	0	0	0.02	0	0	0	0	0
Crest Interractive Ltd.					0	0	0	0	0
Creative Eye Ltd.	0.32	2.54	5.35	2.7	0.29	0.43	0.93	0.82	0
Grey Cells Communication & Production Pvt. Ltd.					0	0	0	0	0
Cinevista Studios Pvt. Ltd.					0	0	0	0	0
Cinevista Eagle Plus Media Pvt. Ltd.					0	0	0	0	0
Inox Leisure Ltd.		0	0	0	0	0	0	0	0
J M D Telefilms Inds. Ltd.		0	0	0		0	0	0	0
Cinerad Communications Ltd.	0.15	0	0	0	0	0	0	0.01	0
Katch 22 Entertainment Pvt. Ltd.							0		0
Kohinoor Broadcasting Corpn. Ltd.	0			0	0		0	0	0
Cinemax India Ltd.				0	0	0	0	0	0
Mid-Day Broadcasting South (India) Pvt. Ltd.		0	0		0	0	0	0	0
Asian Films Production & Distribution Ltd.				0	0	0	0	0	0
Mid-Day Radio North (India) Ltd.		0	0	0	0	0	0	0	0
Twenty Twenty Television Co. Ltd.						0	0	0	0
Telephoto Entertainments Ltd.	0	0	0	0	0.01	0.03	0	0	0
Shringar Films Ltd.						0.06	0	0	0
Mukta Adlabs Digital Exhibition Pvt. Ltd.							0	0	0
Future Communications Ltd.	0.01		0	0	0				
Entertainment One (India) Ltd. [Merged]			0	0	0	0	0		
E T T Ltd.				0	0	0	0	0	
Nimbus Motion Pictures (A. P.) Pvt. Ltd.					0	0			
Nirvana Adzone Ltd.					0	0			
Nirvana Television Ltd.				0	0	0			
Orient Movietone Corpn. Ltd.	0	0	0	0					
Natraj India Ltd.		0	0		0	0	0	0	
Garapati Tele Films Pvt. Ltd.				0	0		0	0	
National Film Devp. Corpn. Ltd.	1.6	5.47	1.19	0.93	0.69	1	0.63		
Plus Channel (India) Ltd.									

General Talkies Ltd.					0	0	0	0	
Puja Entertainment (India) Ltd.				0	0				
Gradiente Infotainment Ltd.		0	0	0	0	0			
I T L Sat-Net Global Ltd.					0	0			
N D T V News Ltd.				0	0	0	0		
Film City Communication Technology Ltd.					0	0			
Saregama Films Ltd.					0.03	0.12	0.01		
White Stripes Entertainment Ltd. [Merged]						0	0		
Set India Pvt. Ltd.			139.68	212.6					
Indian Film Combine Pvt. Ltd.					0	0			
Cee (I) Tv Entertainment Ltd.	0.82								
Bharathan Theatres Ltd.				0	0	0	0		
Sri Bhawani Cabletel Ltd.									
Srishti Videocorp Ltd.									
B 4 U Television Network (India) Pvt. Ltd.				18.23	14.1				
T G F Media Systems Ltd.									
T V A M (India) Pvt. Ltd.					0	0	0	0	
M Entertainments Pvt. Ltd.					0	0			
Television Eighteen Commoditiescontrol.Com Ltd.					0.41	0	0	0.02	
Tips Films Ltd. [Merged]					0	0			
Money Control Dot Com India Ltd.					0	0	0	0	
A V M Ltd.				0	0				
V I P Movies (India) Ltd.			21.16	0	0				
Total	32.71	85.71	219.28	272.82	22.98	27	63.6	345.64	598.58

Source: CMIE

Annexure 3.2

Feature Films in Indian Panorama 2009

S.No.	Name of Film	Language	Director
1	Aainaate	Bengali	Dulal Dey
2	Achchamundu Achchamundu	Tamil	Arun Vaidyanathan
3	Angshumaner Chhobi	Bengali	Atanu Ghosh
4	Antaheen	Bengali	Aniruddha Roy Chowdhury
5	Beli Matthu Hola	Kannada	P.R. Ramaclasa Naidy
6	Dev. D	Hindi	Anurag Kashyap
7	Dwando	Bengali	Suman Ghosh
8	Ek Cup Chya	Marathi	Sumitra Bhave & Sunil Sukthankar
9	Firaaq	Hindi	Nandita Das
10	For Real	English	Sona Jain
11	Gabhricha Paus	Marathi	Satish Manwar
12	Gaggara	Tulu	Shivadhwaj Shetty
13	Haat: The Weekly Bazaar	Rajasthani	Seema Kapoor
14	Harishchandrachi Factory	Marathi	Paresh Mokashi
15	Ijjodu	Kannada	M.S. Sathyu
16	Janala	Bengali	Buddhadeb Dasgupta
17	Kaminey	Hindi	Vishal Bhardwaj
18	Keshu	Malayalam	Sivan
19	Kutty Srank	Malayalam	Shaji N. Karun
20	Land Gold Women	English & Urdu)	Avantika Hari
21	Oye Lucky! Lucky Oye	Hindi	Bihakar Banerjee
22	Paltadcho Manis	Konkani	Laxmikant Shetgaonkar
23	Pasanga	Tamil	Pandi Raj
24	Shankara Punyakoti	Kannada	G. Murthy
25	Shob Charitro Kalponik	Bengali	Rituparno Ghosh
26	The White Elephant	Hindi	Aijaz Khan

Source: Indian Panorama, 2009, DFF

Chapter -4

Participation in Film Markets in India and Abroad

The Scheme

The stated objective of this plan scheme is "*to promote the export of Indian films and thereby providing a fillip to the film industry*". The scheme is intended to provide greater visibility to Indian films in the global film markets and boosting exports by participating in film markets both in India and abroad. This scheme too, therefore, has the same objective of export promotion but the policy instrument is the setting up of film markets at the film festivals.

The implementing agency for the scheme, unexpectedly, is the main secretariat of the Ministry of Information & Broadcasting. The Film Wing of the Ministry is entrusted with the responsibility of participating in film markets. But, in practice, the Ministry partners with other agencies for setting up the film markets during film festivals in India and abroad. For India (the IFFI), the executing partner is the NFDC, which in recent years has been organizing a Film Bazaar at the IFFI. For foreign film festivals, the preferred partners have been industry organizations like the ASSOCHAM, CII and FICCI, though the NFDC has also partnered in the past. Organizing a film market involves renting in space at and during a film festival, setting up stalls, organizing events, showcasing of products and people (including companies) and providing a forum for interaction, enquiries, collaboration and trade deals.

The annual budget for this scheme remained unchanged at Rs. 1 crore during the Xth Plan period. During the XIth Plan the annual budget has been raised to Rs. 2.20 crore. The break-up of these amounts for Indian and foreign markets is not directly available to us, but can be estimated. In the 2007-08 NFDC annual

report, when the item 'Film Bazaar' is included for the first time, the income shown against this head is Rs.44 lakh and the expenditure is Rs. 43 lakh (approximate figures). Thus, compared to the outlay of Rs. 2.2 crore (actual expenditure Rs. 1.91 crore), the amount spent for the Indian 'Film Bazaar' comes to about 20 percent of the outlay. The balance 80 percent is probably earmarked for participation in film markets abroad in collaboration with Industry bodies and, possibly, for associated expenditure by the Ministry itself.

Performance

(i) The overall financial performance of the scheme during the Xth Plan is indicated in Table-4.1. The expenditure on this head has increased over the years from only Rs. 44 lakh to nearly Rs. 130 lakh, which indicates an improvement in the capacity for utilization. The utilization ratio has increased from 44 percent to 129 percent, so that for the entire Plan period nearly 90 percent of the earmarked amount was spent. A possible reason for this improved trend in utilization has been the outsourcing of implementation tasks to more specialized agencies, which have been able not only to utilize the amount but have asked for more. A discussion with the NFDC officials, for example, revealed that they face resource constraints in their implementation task and are constrained to limit the number of invitees.

Table 4.1 Budget and Expenditure for the 10th Plan Period

(In Rs. lakh)

Year	Approved Outlay	Actual Expenditure	% Expenditure
2002-03	100.00	43.85	43.85
2003-04	100.00	70.00	70.00
2004-05	100.00	100.00	100.00
2005-06	100.00	100.00	100.00
2006-07	100.00	129.00	129.00
2002-07	500.00	442.85	88.57

(ii) The data on the performance of the scheme during the Xth Plan was not readily available to us. Table-4.2 obtained from the Ministry, however, provides some information about the performance in 2007-08 and part of 2008-09. As per this information, no targets have been set for the number of film market participation. This is not unexpected because the Ministry itself is the implementing agency and the amount involved is not large. Nevertheless, during 2007-08, the Ministry participated in three large Film Festivals abroad and organized a Film Bazaar at the IFFI. Although the outputs are quantitatively not large, it appears that a beginning has been made and an effort is on.

Table 4.2 Physical Targets and Achievements.

Year	Targets	Achievements
2007-08	Participation in Film Festivals/Markets in India and Abroad	Cannes Film Festival, 2008, Annecy Film Festival 2008, Film Bazaar 2008, European Film Market 2008.
2008-09*	Participation in Film Festivals/Markets in India and Abroad	Cannes Film Festival, 2009 Annecy Film Festival 2009.

*Period reported for achievement in 2008-09 is first & second quarters only.

Outcome Evaluation

(i) This impression that there is a trend towards improvement in outputs is further re-enforced when we examine the information available regarding the Film Bazaar. The MOIB's Annual Report (2009-10), at one place, describes the earlier performance of Film Bazaars as follows: *"The International Film Festival of India over the years had a market in name but the same did not facilitate any business for the Indian Film Industry. In 2007, NFDC took over the market...This initiative has been taken, keeping in view NFDC's*

mandate....” The 2008 Film Bazaar, for which we have some press release/reporting for the first time, suggests that the event was ‘bigger and better than the previous years’. According to the indianmotionpictures.com, 300 delegates from 17 countries attended the Bazaar. There were a number of components of this four day event which aimed at ‘creating opportunities for net working and business for producers, film-makers and distributors from across the world.’ These were (a) Co-production: 15 feature and 10 non-feature films were placed in the market, (b) India Connect: The European Producers Club showcased films with an ‘India connect’, (c) Screenwriting Workshop, (d) Work-in-progress lab for screening rough cuts or assembly edits of films for feedback and suggestions, and (e) Film conclave, in association with Screen International, for discussions, meetings etc on global industry trends.

The 2009 Film Bazaar was a three day event with an additional feature of ‘Knowledge Series’ which included presentations on Digital Distribution. The other components were, as in the previous year, ‘co-production’ and the work-in progress lab. The Film Bazaar of 2009 was able to attract some important partners like Prime house, Europa Cinemas, AFI Projects, Cine Mart Locarno International Film Festival, the Hubert Bals Fund and the Binger Film Lab of the Netherlands. The Screenwriters Lab 2009, designed by the Binger Film Lab, was actually a three month affair beginning in August in Switzerland at the Locarno International Film Festival and ending in November at the Goa Film Bazaar. Six screenplays participated in the event. The ‘work in progress lab 2009’ featured four feature films. The co-production market also featured 10 fiction and one non-fiction film. The Rotterdam Lab 2009, organized by Cine Mart, was meant for training of young producers and the funding agencies. Participation in this Lab is through nomination and four projects were selected. The film ‘Twosome’ won the Hubert Bals Award for the best feature project. As the Screen

reported: *"Now word has started to spread, the market is drawing a wider range of overseas players despite the global financial turmoil".*

The Film Bazar 2007 had a noteable success as Rajesh Shera's "Ocean of an Old Man" (a post-tsunami drama) went on to secure funding from the Pusan International Film Festival's Asian Cinema Fund and then premiered in competition in Pusan's New Currents section. Anjan Dutt's BBD went into production in 2008 and another film (Shor) was completed as a short and was exhibited in Los Angeles Shorts Festival.

Participation in the Film Bazaar is open to those who register (on-line registration facility exists) as well as for invited guests. The Bazaar has been able to draw participation from some important players like the Hong Kong Trade Development Corporation, Europa Cinemas, American Film Institute's 20/20 program and the Danish Film Institute. Though there have been a few notable participants, the list of registered participants provides a lop-sided picture. The 2008 list has 253 registered participants, but of these 180 were from India and only 77 were from other countries- mainly Australia (8), France (10), Germany (9), Netherlands (8), UK (20) and USA (7). But not all of these were companies, some were individuals.

The extent to which these activities fructified is not known. For example, how many co-production ventures materialized or the number of distribution agreements reached, or their value, are not known. Moreover, it is not clear, nor is there any data available, as to how these activities affected exports, which is the primary aim of the scheme. It is interesting to speculate whether this three day event offering 15 feature and 10 non-feature films for co-production, disseminating knowledge about distribution, providing new filmmakers a platform for feedback and foreign film makers a forum to make offers to Indians would have any significant impact on exports of Indian films. Because of the nature of the activities the direct impact, if

any, is likely to be negligible. Nevertheless, the Bazaar, by allowing contacts to be established, marketing knowledge to be disseminated and possible networks to be established may be a necessary, though indirect, process aiding exports. The large number of registered Indians perhaps indicates that they are seeking avenues for exports. But the event seems to be hopelessly surplus with suppliers and few purchasers, and a negligible number from Asia and Africa.

(ii) The other element of the scheme relates to participation in Film Markets abroad. Here too there are some small signs of improvement, though there were only three such participations in 2007-08. The most important of these is, of course, Cannes. Cannes has become extremely important for critical and commercial interests and for European attempts to sell films on the basis of their artistic quality. Today it has become the first international platform for film commerce. Indian presence has increased in this all important festival. It had been participating in the market even before the start of this Plan Scheme. In the last few years, as many stakeholders revealed, the pavilion put up by the Ministry through its partners has been able to attract a number of delegates from other countries. The size of the pavilion has also increased to facilitate more and more Indian companies and producers to use it as a base. From 12 m^2 in 1999 it expanded to 25 m^2 in 2008 and about 150 m^2 in 2009. Approximately 200 Indian delegates used the Pavilion during the festival in that year.

Participation in the European Film Market (EFM) is also significant. The Market, held alongside the Berlin Film Festival, is extremely well attended (6450 visitors in the last EFM, including 419 companies from 48 countries with an estimated 1300 international buyers). The market seems to be attracting a lot of professionals and the last EFM had 129 new companies participating for the first time.

Similarly the Annecy Film Market is also a good choice for market participation. Popularly known as MIFA (International Animation Film Market), it aims "to promote meetings and future collaborations between professionals in order to stimulate and facilitate the production of future projects and the broadcasting of works". The MIFA is the premier market for animation with over 200 buyers attending and provides marketing/exhibition space of over 3,000 square metres.

In this case too, no data is available relating to the number of export/distribution deals signed, their approximate value, and the countries of destination and so on. It is difficult to analyze a scheme aimed at export promotion that does not even collect the relevant trade data. All that can be said is to re-iterate the importance of Film markets as a promotional measure for building contacts and networks and disseminating market knowledge, which should have an indirect positive effect on exports—otherwise, other counties would not have undertaken similar measures.

But other countries may be going about their business more professionally. The Asian Film Market, which completed its fourth 'edition' in 2009, has a clear system of reporting of performance. It gives data on the increase (over previous year) and the number of:

(i) Sales offices,
(ii) Participating companies,
(iii) Films screened in the market
(iv) Approximate total value of deals, and the
(v) Meetings held.

The reporting also includes 'Accomplished Results', which lists the sales of films by their destination. (Details of the reporting are given in Annexure 4.1). This may be worth emulating.

Brief Survey

The NFDC was requested to provide names and contact details of some participants of the Film Bazaar. The NFDC provided contact details of twelve participants to whom an open ended questionnaire was mailed asking the following questions:

1. Do you know of concrete instances of export deals finalized as a result of participation in the Film Bazaars?
2. How does the Film Bazaar, either indirectly or directly, help in promoting export of Indian films?
3. Your comments, if any, regarding the number & quality of participation in the Bazaars.
4. Any suggestions for improvement in the Bazaars?
5. Any comments relating to the functioning of film markets abroad, like the Indian film markets in Cannes, MIFA and Annecy?

Responses were received from two participants, namely Ms. Priya Krishnaswamy, and Mr. Ido Abram. Ms Krishnaswamy was a participant in the Screen Writers Lab 2009. Her feature film script **Gangoobai** was selected for the script workshop at the Locarno Film Festival and culminated at the Film Bazaar, Goa. Her experience at the film bazaar was extremely positive and she praised the conduct of the bazaar. According to her, "*We were introduced to a large number and variety of international producers, distributors and production houses by the NFDC and our mentors, and were encouraged to pitch our projects to them at various venues….Important contact was made by all the participants, and there is a genuine possibility of international co-production and distribution deals as a result of the initiative.*"

Mr. Ido Abram's comments were extensive and extremely valuable as he was earlier the Director of Cine Mart, Netherlands. Mr. Abram also had extremely positive comments for the Film Bazaar and felt that it takes time for the effort to bear concrete results in terms of actual export deals being finalized. Therefore, we should look at alternative measures/signs to show the success of film markets such as the number of attending international guests, etc. His observations, fully

presented in Annexure 4.2, show that, by these alternative measures, the Film Bazaar has been extremely successful. Mr. Abram also recommended that *"for future editions in Cannes to ask the NFDC to host the pavilion and make it more into a real meeting place for all (film) professionals dealing with cinema"*.

Conclusion

The Film Bazaar conducted by the NFDC has been improving in its performance and can be considered a success given the limitations of finance. Although it is difficult to quantify the amount of exports generated as a result of the operation of the film bazaar, the event definitely is proceeding in a manner which is professional and is therefore likely to yield requisite results in future. It is also desirable that the NFDC, and not the MoIB, should be the agency for implementing this plan scheme not only in India but also in film festivals held abroad.

Annexure -4.1

The Asian Film Market (Korea)2009

1. Sales Office: 45 offices from 75 companies of 25 countries

1) Sales Office and Participating Companies

	2008	2009	YoY
Sales Office	41	**45**	9% ↑
Participating Companies	72	**75**	4% ↑

2) Participants by continent

	North America	Asia				Oceania	Europe
		China, HK & Taiwan	Japan	Korea	Others		
2008	3%	21%	22%	14%	8%	0%	32%
2009	3%	33%	7%	19%	10%	1%	27%

2. Asian Film Market 2009 Screenings

	2008	2009
Participating Companies	20 (9 countries)	24 (10 countries)
No. of Films Screening	38	43
No. of Market Premieres	21	40
No. of films screened in PIFF	6 (including Opening Film)	10 (including Opening/Closing Film)
Total No. of Screenings	46	50

3. Accomplished Results

1) Nikkatsu (Japan)
- *Bare Essence of Life* sold to Korea
- *Freeze Me* sold to Hong Kong

2) Toei (Japan)
- *Baby! Baby! Baby!* sold to Taiwan
- *The Sword of Alexander* sold to India

3) Pictures Dept. (Japan)
- *Retrogame* Master TV Game Show to be sold to USA
- *Eatrip, Then Summer* came sold to Korea
- *Oh, My Buddah, Eatrip, Then Summer came, Adrift in Tokyo, Sad Vacation* sold to Taiwan

4) Joint Entertainment (Taiwan)
- *KJ: Music & Life* sold to Korea

5) Mirovision (Korea)
- *Deathbell* sold to Thailand, Japan, France
- *The Loner* sold to Thailand

6) M-appeal (Germany)
- *Tricks* sold to Japan

7) Vietnam Television (Vietnam)
- Acquired 2 projects and sold 2 projects

8) CJ Entertainment (Korea)
- *Good Morning President, Killer Bride's Perfect Crime, Mother* to be sold to Taiwan, Japan, Singapore, Hong Kong, France

9) M-Line Distribution (Korea)
- *A Frozen Flower, Le Grand Che 2: Kimchi Battle* to be sold to Indonesia, Malaysia, Singapore

10) Indiestory (Korea)
- *Old Partner* sold to Taiwan

11) P.A.M. Korea Media (Korea)
- *Bloody Shake* to be sold to Taiwan, India, France, Australia, England and discussing drama co-production with Japan

4. **PPP Meetings: Total of approximately 500 meetings**

5. **BIFCOM Meetings: More than 400 meetings, including 72 official meetings**

6. **PPP Awards**

1) Pusan Award (20,000 USD): *Decadent Sisters* / AOYAMA Shinji / Japan
Given to a talented Asian film director and producer by the Busan Metropolitan City.

2) Kodak Award (20,000,000 KRW): *Trace* / HAN Jae-rim / Korea
Committed to a Korean PPP project by Kodak Korea Limited.

3) Göteborg Film Festival Fund (150,000 SEK): *Postcards from the zoo* / Edwin/ Indonesia The Göteborg Film Festival Fund allocates a total sum of 20,000,000 KRW to support 8 to 10 directors/producers of selected projects with their traveling and accommodation expenses. Awards 3,000,000KRW to a Project.

4) CJ Award (10,000 USD): *Slightly Sane* / PAN Nalin / India, France
CJ Entertainment Award commits 10,000USD to an international PPP project.

5) Lotte Award (10,000,000 KRW): *Villain and Widow* / SON Jae-gon / Korea
Lotte Award commits KRW 10,000,000 to a Korean PPP project.

6) Wooridul Award (10,000,000 KRW): *New Policemen Stories* / YANG Jin / Hong Kong, China

Granted to an Asian project chosen from the PPP 2009 official line-up.

Prime Choice: Out of the 5 projects introduced at the KPIF (Korean Producers in Focus), *Good-bye Again* / Producer KIM Young-jin has been chosen by Prime Entertainment for 'First Look Option'

Annexure -4.2

Response from Mr. Ido Abram, (Director of Communications Eye Film Institute, Netherlands)

Do you know of concrete instances of export deals finalized as a result of participation in the Film Bazaars?

This is always a, although understandable, very complicated questions to answer. Markets like Film Bazaar will always play an important role in realizing export deals or coproduction deals or financial deals of any kind, but the results are barely visible on a short term. In the years of the existence of Film Bazaar, the organization has managed to win the trust as a knowledgeable entity for international film professionals. Especially due to the fact that Film Bazaar is organized by the team of the NFDC lead by Nina Lath, who has earned the respect and trust of the international film community. This means that international film professionals (producers, festival programmers, distributors, sales agents etc) who are interested in or dealing with Indian films, will always be interested in attending Film Bazaar to get an update of the latest developments in Indian cinema.

Concrete results or deals are always complicated to measure. First of all: making films in an international area, takes a lot of time. So it might take a couple of years to see concrete results. Secondly: the organizers of a market like Film Bazaar will always be the last to know about the actual results. I don't know what's the reason for this, but I am speaking from my own experience, when I was the director of the CineMart, a similar kind of market as Film Bazaar, based in The Netherlands. CineMart was and is highly successful, but it took several years before we could show the concrete results.

But there are other signs or measurements to show the success of Film Bazaar or similar markets, like the number of attending international guests, the quality and usefulness of the attending companies, and the requests of people/companies who would like to attend.

In the three years I am attending Film Bazaar, I have seen it grow from a nice informal but small market into a real film market that matters. I saw every year more guests/decision-makers of high quality companies, that are really interested in Indian cinema. It is of no use to invite 'big' companies that in the end do not intend to do any business with Indian films. And I know that there are more and more people are asking to get invited, which shows that the word of mouth (which is crucial in the global film community) concerning Film Bazaar is excellent and growing. To conclude my long answer to this question, I would like to stress the fact that one very noticeable result is the selection of an Indian film in the last edition of the Cannes Film Festival, which without any doubt is a direct result of the attendance of one of the main programmes of that festival attending Film Bazaar in Goa last year.

How does the Film Bazaar, either indirectly or directly, helps in promoting export of Indian films?

By bringing together Indian and international film professionals that are interested in Indian cinema. This will result, sometimes very quickly, sometimes with more time concerned, into a growing awareness of Indian cinema with the foreign professionals, as well as growing awareness about how the international market works with Indian professionals. Knowledge about each other's way of working, the possibilities as well as the limitations will on the long term improve the export and international status of Indian cinema.

Your comments, if any, regarding the number & quality of participation in the Bazaars.

I did answer this question already under question 1. Budget limitations are also a reason that sometimes the wished growth in the number of attending/invited guests is relatively limited. As far as I can tell, Film Bazaar has the right people but could increase the numbers due to international requests, but does not have the resources yet to do so.

Any suggestions for improvement in the Bazaars?

In principle, I don't feel there is any need for improvements. In my experience, Film Bazaar has been organized in a very professional and efficient way. The atmosphere has the right balance of 'business like efficiency' as well as the highly important informal hospitality. Something that is essential for making a market like Film Bazaar work. People need to feel welcome and also have the feeling that they can really do business and that's definitely the case in Film Bazaar. And this is a huge compliment to Nina Lath and her team who make this happen.

Any comments relating to the functioning of film markets abroad, like the Indian film markets in Cannes, MIFA and Annecy?

I can only relate to the presence during the last edition in Cannes, and I would like to stress that this is a personal observation. In my opinion, the Indian pavilion was not functioning properly as the meeting place for film professionals from India and abroad. It felt a little bit that the pavilion was not really dedicated to film, but could have been present in this form on any conference from real estate to medical equipment. It was lacking the 'filmic ambiance', I was speaking about above: a mixture of business like efficiency and informal hospitality, but all dedicated towards film and film professionals.

Chapter-5

Policy Analysis & Recommendations

Policy Analysis

Though it is customary to begin policy analysis with the basic question whether or not state intervention is justified, the question here may be practically redundant as not only is state intervention in the sector a reality in India but is also widely prevalent in a large number of countries. Even in the USA, where private enterprise rules supreme in the film sector and the Motion Pictures Association is the primary policy body, the US government plays a supportive role: "it is seen that the US Government departments and trade representatives systematically support the efforts made by their Motion Picture Association."[5] In all other major film producing countries—like UK, France, Italy, Canada, Korea and others—the state plays a significant role in formulating policy and supporting the development of the film industry.

The relevant question, from a practical perspective, is not whether state intervention should be there or not, but what should be the principal objectives of state intervention. The question is not 'should the state intervene?' But, rather, 'what should be the objectives and instruments of state action?'

Objectives

A survey of film policy across nations cannot fail to highlight the frequent struggle between economic and cultural objectives. Sometimes a conscious prioritization is made. For instance, the Australian Film Commission in its submission to its parent department, clearly states (after enumerating the economic benefits of films): "Notwithstanding these economic benefits, government intervention in the audiovisual sector remain primarily rooted in the delivery of cultural outcomes."[6] But, quite often, the conflict between the objectives may not be

[5] Report of the core group on "Export of Films and Related Issues".
[6] "Review of Australian Government Film Funding Support". Submission to the Department of Communications, Information Technology and the Arts; Australian Film Commission, August 2006.

clearly resolved. In the case of a diverse entity like the EU, as noted by an expert, the conflict is a constant reality: "The EU film policy evolves between creativity and market, inherently wedged between art and commerce....As a consequence, it is a source of profound tensions...."[7] A similar tension seems to exist in India with the objectives of the two schemes being an amalgam between the commercial objective of "export promotion" and the cultural objective of "spreading the rich and diverse Indian culture." Effective formulation of policy involves, as a first step, the identification of the specific objectives and a prioritization among them.

(a) **Economic Objectives**: The dominant economic objective of many countries arises from the threat posed by the US film industry to the industries in their countries. This objective is often stated in terms of 'sustainability' or 'competitiveness' or 'increase in market share' of the domestic film industry. The market share of the domestic industry in the Gross Box Office revenues within the country are: Australia 5 percent, Canada 3.3 percent and UK 17 percent.[8] The primary objective of these countries therefore is to increase the market share of the domestic industry as outlined in policies like those formulated by Telefilm (Canada) in their famous 'From Script to Screen' policy.

This is not a problem faced by India where the national industry has 92 percent share of the domestic market. This position is perhaps the best in the entire world with even China, Japan and South Korea having a national market share not exceeding 60 percent.[9] It is also comparable to the US where the domestic film industry has a slightly higher share of its domestic gross box office revenues. The articulated economic objective in India, therefore, looks at export promotion. Perhaps, subconsciously, the country wants to become a world (economic) power and visualizes a position for its film industry which is progressively closer to the US. (In fact, the Indian elite like to use terms like Bollywood, Tollywood etc.)

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[7] Harold Anna, "EU Film Policy: between Art and Commerce", European Diversity and Autonomy Papers; EDAP 3/2004, www.eurac.edu/edcap.

[8] Source: Marche Du Film, 'Focus 2010: World Film Market Trends'.

[9] Ibid.

Though the data on country-wise exports is scanty, the available data does ***not*** show India in a poor light amongst developing countries. According to the **'Creative Economy Report 2008,'** published for the first time by the UNCTAD[10], India was the largest exporter of films among developing countries with a total value of $ 16 million in 2005. Though this amount was small compared to $ 664 million of world film exports, accounting for a mere 2.46 percent of world figures, it was as high as 30 percent as a proportion of exports from developing countries. The figures also reveal the dominance of the developed countries which had a near 90 percent share of the world exports. Therefore, though there is considerable scope for improving the Indian share in world exports, the lack of exports is not really a problem when viewed from a developing country perspective.

This conclusion is further re-enforced by the findings of the "Core Group on Export of Films and Related Issues" of the Ministry of Information & Broadcasting (GOI). The following two extracts from the Report of the Core Group reveals that piracy, rather than export promotion, is seen as the bigger problem:

"As would be seen from the Minutes the major concern of the participants was not merely with physical growth of film exports but with measures required to ensure that the revenues accruing to Indian film exports are received by the legitimate owners of the films and that piracy does not succeed in diverting these revenues".

"Indian film industry representatives have observed that though a large number of films are exported but the revenue earned from such export does not flow to the legitimate owners of copyright."

(b) **Cultural Objectives**: Our brief survey of film policies of various countries reveals the predominance of three cultural objectives. The first relates to the preservation of national ***cultural identity*** and its expression through the audio-visual media. Preservation and promotion of ***cultural diversity*** is an objective which finds frequent mention even in small countries with ethnic and cultural differences. A major challenge in the European Union is the promotion of ***cultural***

[10] UNCTAD, Creative Economy Report 2008.

pluralism so that different cultural groups are able to appreciate diverse cultural expressions of different nationalities.

The objectives of preservation and promotion of **cultural identity** is the cultural challenge of globalization coupled with the dominance of US film industry. The Australian Film Commission articulates this objective as "Australian stories and Australian characters on Australian screens".[11] Similarly, the New Zealand Film Commission has the statutory responsibility "to encourage and participate and assist in the making, promotion, distribution and exhibition of films...made in New Zealand by New Zealanders on New Zealand subjects." The Irish film policy emphasizes the "need for the expression of national culture through the medium of film-making". And, to cite one final example: "The cultural element of the Danish support policies is strongly emphasized. The Danish Film Institute is the national agency responsible for supporting and encouraging film and cinema culture and for conserving these in the national interest".

The second common cultural objective relates to the sustenance of **cultural diversity**. The Canadian Film Board's primary activities include the creation of programmes "reflecting Canada's linguistic and cultural diversity". The Film Commission of New Zealand supports Maori film making. And South Africa's National Film and Video Foundation has the following stated policy aims: "provide and encourage the provision of opportunities for persons—especially from disadvantaged communities—to get involved in the film and video industry" and "encourage the development and distribution of local film and video products". The European Commission also aims at promoting decentralized cultural expression through the audiovisual media. In India, the constitutional framework, similarly, puts films in the state list (subject to a regulatory role for the centre).

Cultural pluralism involves the promotion of exchanges between the regional film industries and communities and thereby underpins the contribution of films to intercultural understanding and dialogue. The European Union has been concerned with the promotion of a European identity and culture in the context of

[11] Australian Film Commission; op.cit.

national film laws and policies. This conflict sometimes manifests in India in attempts by a regional film industry to protect itself from films produced in other states (e.g. the Kannada film industry's recent attempts). But, for the development of an Indian cinema, intercultural exchanges are essential.

This extended analysis of objectives is necessary as effective policy can only be built on the firm foundation of clarity of objectives. The analysis shows that neither the protection of the domestic industry, nor the export of films, can be viewed as problems requiring state intervention. It may be better if the cultural objective of promotion of 'soft power' and the other cultural objectives discussed above are clearly articulated. The annual reports of the Ministry of Information & Broadcasting do not clearly articulate its cultural objectives and, therefore, does not send a clear and unambiguous message to the various affiliated agencies. Instead of trying to focus on the value of exports, the plan schemes may try to promote, in line with the UK policy, 'the widest possible enjoyment and understanding' of Indian cinema throughout the world. Telefilm Canada aims to "ensure the widest possible audience for Canadian Works, domestically and abroad". The promotion of the best of Indian culture, across nations (as expressed through the audiovisual media), may match with the current aspiration status of an emerging India.

Targets & Measures

A meaningful policy intervention needs to spell out the indicators and the measures by which policy is to be evaluated and to lay down the timeline of targets. To illustrate the point, the economic policy objective of export promotion should look at the value of exports or at the market share of Indian films in world exports. The Canadian 'From Script to Screen' policy had a specified target and timeframe for increasing the share of its national film industry in its domestic box office revenues. The UK's 'Export Development Strategy 2007-10' spells out the targets for the activity 'International Festival Sales Support' as follows: (a) "Support between 30 and 60 British Films at key international festivals over the course of 3 years" and (b)

"210 deals to be generated in 40 countries worth approximately £ 16.2 million over three years".

Even when the objective is cultural, it is possible to develop measurable indicators. The UK film export policy, inter alia, aims "to win a total of 38 awards over three year period" and "to win a yearly total of 15 percent of awards on offer at two major international awards ceremonies (Academy Awards, BAFTA Film Awards)." Similarly, UniFrance reports its cultural success in short films as follows: "5000 short films sent for pre-selection at 100 foreign film festivals; 500 films selected at 170 festivals in 45 countries; 100 awards won by 70 films..."

The Indian data, in contrast, talks about organizing one IFFI or one Film Bazaar, and so on, without almost any other detail. The involvement with the activity seems to have replaced the concern for results. Occasionally more meaningful targets are mentioned. The Core Groups Report, for instance, talked about ensuring "participation ....in about one hundred countries as soon as possible" but diluted it in the recommendations section to "participation in a greater number of film festivals." Such soft and malleable policy objectives can only promote half-hearted effort.

Data, Research & Policy

To state the obvious, the indicators and the targets cannot be decided upon without adequate research and data support. The strategy to achieve the objectives also needs to be evidence based. The lack of data and serious policy research in this area was one of the major constraints in undertaking this evaluation study and must therefore be a serious and constant hurdle in policy formulation, implementation, monitoring and evaluation.

The Ministry seems to be relying on the studies undertaken by the Industry organizations. But the data generated by the bodies is of questionable nature. For example, the Indian Entertainment & Media Industry Report 2008, brought out by FICCI and Price Waterhouse Coopers, reports that the second highest number of

cinema screens are in Andaman & Nicobar and Arunachal Pradesh (next only to Andhra Pradesh). It also reports the number of cinema screens in Meghalaya are 80 compared to only 2 in West Bengal. Other similar reports do not give the basis of their data and simply quote 'industry sources'.

The official agencies are in no better position. The DFF openly acknowledges the absence of data even of its own activities. Key data are not even collected let alone put in a systematic format. Thus it is difficult to know what happens to films chosen for the Indian Panorama. 'To which festivals were they sent'? 'When and in which section were they screened?' and similar questions are difficult to answer. The Ministry's scheme of participation in film markets provide very little meaningful data in the public domain, although NFDC is providing more information and press coverage.

There is not only a need to collect information but also a necessity to decide on the type of indicators and the type of data that needs to be collected. A dedicated body possessing the necessary expertise needs to be set up for evidence based policy research. The UK Film Council "originates and gathers data on films and film industry so as to contribute to evidence-based policy debate and strategic development". In 2004-05 its budget for 'Policy & Strategy' was over £ 500 thousand. In Canada, "Telefilm advises government on audiovisual and cultural policy matters through its policy, planning and research division." The Centre National de la Cinematographic (CNC) of France "provides a research, regulatory and policy role that assist its functions of preparing and implementing the audiovisual regulatory framework in France and improving the industry's structure." In Germany the FFA (German Federal Film Board) and the Danish Film Institute (DFI) in Denmark undertake research analysis and provide policy advice to the government.

Where to Intervene?

The two plan schemes under study involve interventions at the stages of distribution and exhibition. A broader view, of course, shows that the Indian state intervention, besides the regulatory one, extends to other important aspects like production, training, technical and archival support. The international experience is also similar as depicted in the following table prepared on the basis of our survey:

Country	Agency	Areas of support/intervention
UK	UK Film Council	Funding of Film Development, Production, Training, Professional Development, Domestic & International Distribution, Exhibition Programs, Archival Services, Data Collection on films & film industry, Contributes to policy discussions & lobbying on behalf of the audiovisual industry
	British Council	International Promotion of British Films principally through festivals & showcases
Canada	Telefilm Canada	Financial assistance & strategic leverage to industry to produce audiovisuals that reflect Canadian society (including linguistic duality & cultural diversity). Supports Distribution, export, versioning Marketing & Industry Promotion at festivals, markets & other events. Building audiences & Build Strong industry. Policy, Planning & Research.
	National Film Board	Production & Distribution of programs that "Inform Canadians and Promote Canada around the World".
New Zealand	New Zealand Film Commission	Loan & Equity support to New Zealand producers & directors and sale & marketing of New Zealand films. Support for Maori filmmaking including policy development, training, archival support. Funds include Film Production, Film Development, Marketing, Talent Development and Resource & Industry Support.
France	CNC	Funds development & production of films, television & new media.

		Distribution & exhibition support, including International Promotion. Research, regulatory & policy roles.
Ireland	Irish Film Board	Funding for development & production of Irish films and their international promotion. Collaborates to improve marketing, sales & distribution. Training & Development in all areas of filmmaking. Policy advice to government.
Korea	Korean Film Council	Funding for development & production of Korean films. Education & Training, Archival Services. Policy & Research, collection of statistics. Investment in audiovisual infrastructure, subtitling & promotion.
Germany	German Federal Film Board (+Regional/Landers Funds)	Funds development of German films. Economic advice & research. Promotion, domestic & international. Funding for exhibition and video distribution centres, Training.

Source: Summarized from the Australian Film Commission's Submission to DCTIA (2006) Appendix F-International Film Agencies Overview. (Website: .screenaustralia.gov.au)

The table shows that governments are intervening at all stages from development to exhibition and archival services. But, our survey also brings out, though the information is scanty, the importance of film development, skill development and production funding. We present in Annexure 5.1 the expenditure details of UKFC, Telefilms and NZFC. These figures clearly bring out the relative importance of development and production funding along with talent development.

The Australian Film Commission in its 2006 submission, referred to earlier, argues in favour of "direct government assistance" to the following areas of the audiovisual industry that may not receive adequate market funding: Project Development; Professional Development; Innovative and risk taking screen content production; Support for business/enterprise development; Indigenous content; Screen culture; Research & Analysis; Archiving, Preservation & access; Marketing & Export Development and Training.

Export promotion, in the cultural rather than in the economic sense, requires the production of quality films with the ability to appeal to international sensibilities. One likely reason why Indian films have not been winning awards in the leading festivals, or do not get selected in the competition section of these festivals, may be the lack of adequate number of quality productions. Marketing/distribution and exhibition may not alone be effective in promoting quality Indian cinema to world audiences, if production is the constraint. Muzaffar Ali, in Times of India (May 3, 2009), echoes the realization of many when he wrote under the title: *"Face it: Our films are not good enough for the world".* Stressing on the need to produce world class cinema, he writes *"A vibrant nation needs a global vision and policy to create global products and brands...we stand at the crossroads...we need to universalize ourselves. We need to find our roots. We need to pick up where Satyajit Ray left off. The world was always ready for us but are we ready for it?"*

The success of 'export promotion' in the cultural sense therefore requires support in the pre-distribution stages. Development support for researching a theme, script-writing and development of technical inputs require and receive a great deal of state support in many countries. Support is also provided for skill/talent development and, in some cases, for technical services. Funding for production and/or enterprise development is also quite common. In India, state support in these areas has either remained static or reduced over the years, while cost of production has escalated. Though the Hindi, Tamil and Telugu film industries have been able to prosper, most other regional film industries are facing a difficult situation. If the portrayal of Indian cultural diversity is a major cultural objective, state support is necessary. Some state governments have begun to take supportive actions as in Kerala and Karnataka. It may be extremely useful to have a centrally sponsored scheme for supporting development, production, training and technical infrastructure support to states. Such a federal approach to film funding exists in Germany, Spain, France and Australia. It is also not out of tune with the working of the Indian federal system. In our judgment, the cultural objective of enhancing global viewership for Indian films will be better achieved by selective interventions in the pre-distribution stages.

Distribution & Exhibition to Increase International Viewership

'Good product +Great Marketing=Hit Films' is the headlines in a write-up by Planman Consulting. The importance of marketing is fully appreciated by most countries with a vibrant film policy, even when the goals are cultural. And in this effort success in film festivals is a significant factor.

Success in an international film festival not only draws critical acclaim but is also a great publicity vehicle. For many filmmakers the openness of a festival to new voices is its strength. "It provides an important platform for talent that might not emerge through other routes like television and advertising." Success in even a smaller festival sometimes makes the film/filmmaker get noticed in bigger festivals. It facilitates the flow of finance and new projects. A study by the UK Film Council on **'Short Film Export: Policy Report to UK Film Council Film Export Group'** found, on the basis of an empirical analysis, that *"festival kudos is an important factor in a short film's selling power." "Festivals continue to play an important part in the strategies of sales agents and buyers. If you are selling, then the PR value offered by these events is crucial; you need festival success to bring your film to a buyer's attention. And if you are buying then they provide a filtering process, a generally reliable aid in sifting through the thousands of shorts produced each year".*

But participation in a festival is difficult for individual and small producers. The UK Film Council's short films study also noted that many filmmakers described the *"time-consuming and expensive process of submitting to festivals and award schemes, coordinating print transport and representing a film internationally."* "The producers of 'Milk'...which won the Golden Bear for Best Short in Berlin in 2005, totaled up the (transaction) costs...to £5,000, as against £1,200 which the film managed to recoup in Television sales". The importance of state agencies in festival participation is therefore considerable. The British Council is often cited (by

UK filmmakers) as "important, and the support that they offer in terms of prints, travel, admissions, freight and general information and advice is clearly valued." The DFF, by playing a similar role is useful to small/independent filmmakers.

However, the DFF's approach is passive and, unlike the British Council which works on behalf of the UK Film Council, the DFF sets its own policy agenda and strategy. It is reactive in the sense that it does not seek out good films but chooses from the ones which respond to call for applications. It does not seem to have a spelt out a marketing strategy for enhancing global viewership and simply responds to attempts by others to participate in foreign film festivals. In contrast other countries have tried to develop a clearly formulated marketing strategy.

The UK's **"Export Development Strategy 2007-10,"** for example, does a categorization of markets for formulating their strategy and action. The categories are 'established mature markets', 'established markets with growth potential, 'emerging markets with growth potential' and 'possible future markets'. The strategy not only looks at films but also develops a strategy for export promotion of 'talent', 'services and facilities', 'technical and craft skills', in addition to 'international film distribution'.

What the state agencies in India need to do is to develop a clear-cut marketing and communication strategy. The Planman Consultants India talk about the six 'P's of a good film marketing strategy: Product, Placement, Positioning, People (in the sense of personification), Public relations and 'Partner's Brand'. Although the approach is for commercial films, a similar approach needs to be developed for cultural marketing. The choice of destination markets, the correct placement of appropriate films in niche markets, getting across the central theme/appeal of a film through media coverage and advertising and collaborating with the right agencies are necessary. The US studios, which generated 73 percent ($25.82 billion) of box office revenue from the international market place, spent £300 million on publicity and advertising in the UK alone in 2006! There are a number of non-official festivals of Indian films abroad with which the DFF or other state agencies may consider collaborating.

Institutional Choice

Finally, and crucially, the question of choice of agencies for formulating and implementing policy needs to be addressed. The general practice in other countries is to establish a public/ quasi-public umbrella body entrusted with the overall responsibility of promotion of all aspects of the audiovisual industry. These bodies include the Screen Australia, Telefilm Canada, UK Film Council, CNC and others mentioned earlier. These organizations report to the relevant government departments like UK Department of Culture, Canadian Department of Heritage and so on. They generally provide a leadership and coordination role to all other related agencies.

Often these apex bodies, which work closely with but are independent of the government, have considerable industry involvement in its management. The New Zealand Film Commission, for instance, has a board of eight members (including the Chairman) "representing the film industry and the wider business and arts community". The Korean Film Council, similarly, "is administered by a group of nine commissioners—scholars, filmmakers, industry figures and other representatives of the audiovisual industry." The nature of funding is diverse. But in some cases there is an attempt to ensure independent funding through lottery funds or a dedicated cess/tax. The DFF, which was perhaps intended to play a policy & planning role as it was kept close to the government, would need to be fundamentally re-structured, with some assured funding and autonomy, to be able to play its intended role. As far as the staff is concerned, the Australian Film Commission's recommendation in another context is worth quoting: "*Industry expertise must be central to the employment makeup of any agency or agencies in order that peer assessment and industry knowledge is maximized. In order to properly carry out its functions of investing in potentially successful scripts and productions, agency staff, management, advisors, and board members must make creative and commercial judgments. Therefore, it is vital that the agency or agencies employ people with direct knowledge and experience of the screen production industry, nationally and internationally. The expertise, credibility and*

industry relationships that such employees bring to the organization and its programs are invaluable."

Based on the above discussion, the following recommendations may be considered by the Ministry of Information & Broadcasting, GOI.

Recommendations

1. **Objectives:** Like in many other countries, government policy in India mixes up economic objectives (e.g. export promotion) with the cultural objectives (e.g. "spreading the rich and diverse Indian culture"). But some of the other countries have consciously tried to separate the two objectives and given priority to cultural objectives. India may also explicitly articulate the cultural objective of promoting Indian culture and its diversity, through the audio-visual media, as the principal objective and the goal of 'export promotion' may be a secondary by-product.

The reasons for giving priority to cultural objectives are:

(i) India is the only major country, next to USA, where the domestic film industry has a share of the national film market exceeding 90 percent. Hence the economic objective of 'sustainability' pursued by most other countries is not applicable.

(ii) India is the largest exporter of films among the developing countries, with a share of 30 percent of developing countries' film exports. The domestic film industry also does not recognize inadequate exports as a problem needing government intervention.

(iii) A section of the Indian film industry already exports films on its own and requires no government support. It is the small and independent film makers of various Indian languages who look up to the government for exhibiting their films in India and abroad, especially for critical acclaim. For them the hope of cultural returns far outweighs the expectations of economic gain.

2. **Apex Policy Body**: Most countries have an apex body for formulating and implementing film policy though the government has the final authority in deciding on policy. Examples are: UK Film Council, Screen Australia, Telefilm Canada, CNC (France), Korean Film Council etc. These bodies, though usually independent of the government, report to the relevant government ministry. India may benefit from this practice. The Directorate of Film Festivals is one agency which is close to the government but acts independently for Film Awards and for the selection of films for festivals. The DFF in its present form cannot fulfill the role of an apex agency. It needs to be upgraded and re-structured, on the lines of best international practices, to serve as an apex policy and implementation body. This body could continue with the Awards scheme and the scheme for selection of films for festivals in India and abroad. But the tasks of promotion, distribution and exhibition of these films are better done by a (quasi) commercial body like the NFDC.

The functions of the apex body may include: (a) formulation of policy for consideration by the government; (ii) advising the government on technical, artistic and industry issues; (iii) coordinating efforts of the various government sponsored film organizations; (iv) liasoning with state film organizations; (v) acting as a link between policy makers and various sections of the industry; (vi) monitoring and supervising the implementation of policy; and (vii) continuation of the present DFF activities of awards and selection of films. The apex body may be governed by a small but independent Board whose members are drawn largely from the industry, with broad based representation, and from the government, media and academia. To allow the apex body to operate independently, its funding may be from dedicated sources like a 'cess'. The staff of the agency should have industry knowledge. All these suggestions are in line with current international practices.

The reasons for establishing an apex body are:

(i) It is in consonance with a tried and tested international practice which is being adopted by more countries

(ii) Though the government must be the authority to decide on policy, it needs professional and technical advice on a regular basis to decide on policy interventions and for adjustments/revisions.

(iii) The DFF, at present, has two primary sets of responsibilities: (a) selection of films for awards and film festivals and (b) promotion, distribution and exhibition of selected films (including IFFI). The DFF is well suited for the first set of tasks but not for the second. The 'commercial' tasks may be given to the NFDC, which is better equipped and also has the mandate of promoting good Indian cinema, but has usually been promoting its own films. The re-structured DFF, by virtue of its closeness to the government, will be better suited for awards, selection, policy and advice.

3. **Centre for Data & Analysis :** It is now widely acknowledged that neither policy, nor management, can be effective without development of indicators, identification of variables and of data sources, regular collection and updating of data and information, and the timely analyses of the data to provide inputs for formulation, appraisal, monitoring, implementation and evaluation of policy and programme initiatives. There is a need to establish a cell/centre to undertake this task on a regular basis. This is also in line with initiatives taken in other countries. During our study we realized the constraints that policy makers and administration may be feeling due to the appalling lack and poor quality of data and information. This cell/centre is usually a part of the apex body. Although this has its obvious advantages, the independence of this centre may require that, at least in its incubation stage, it may be established under the umbrella of one the institutions under the MoIB (like IIMC or Film Institutes) or under any other academic institution. The principal task of the centre shall be the monitoring of industry trends and of policy interventions.

4. **Centrally Sponsored Scheme** : There is a strong case for government support at the production and pre-production stages for meeting the cultural objectives. Most countries provide considerable support at these stages both in terms of financial as well as technical support. Some of the states (like Kerala and Karnataka) have established Film Academies and provide government support to production activities, which indicates that it is a felt need. Industry experts like Buddhadev Dasgupta and Muzaffar Ali have acknowledged the dearth of production of films of international standard. Four Indian films were selected in the Cannes competition section in the 1980s, only one in the 1990s and none thereafter

During the Eleventh Plan, the MoIB introduced a central scheme to support film production in regional languages, which meant that it was alive to the 'production constraint' problem. This initiative needs to be expanded with a centrally sponsored scheme of support to states/state film academies for production of quality audio-visual material for films and television. For a large and diverse country like India a decentralized effort, with monitoring by a central body, may be more helpful in encouraging and broad-basing cultural creativity and its expression.

5. **NFDC**. The NFDC, as the operational arm of government policy, has an important role to play to fulfill its mandate and utilize its core capabilities, which need to be strengthened. The Corporation has been conducting the Film Bazaar since 2007 and has acquired capacity and contacts to organize Film Markets abroad. Industry associations, as they are not film specific, and the MoIB are not best suited for organizing film markets. The responsibility of 'participant in Film Markets Abroad' may be better handled by the NFDC, as suggested by an impartial expert, and build synergies. The NFDC, as suggested earlier, may also be given the responsibility of promoting, distributing and exhibiting films chosen by a restructured DFF/apex body in addition to doing the same for its own films. It also may be helped to develop international marketing capability by small measures like increasing the number of Film Markets and Film Festivals to be participated in. It may also be entrusted with the larger responsibility of formulating and implementing

a time-bound, region and segment specific marketing strategy to meet the cultural objectives. These activities of the NFDC need to be in collaboration with, and under the broad supervision and monitoring of, the apex body and the MoIB. Needless to say, this type of effort needs a little funding. Though the thrust of our recommendations are for strengthening the 'marketing' capacities of the NFDC, the corporation may also gain indirectly from the centrally sponsored scheme of strengthening production capabilities of states.

The above are only broad recommendations based on the study of the two plan schemes, feedback from knowledgeable persons, study of media reports and some leading documents relating to the sector, and a brief survey of some international trends. The details need to be worked out if these broad suggestions are accepted. The MoIB may like to consider the recommendations for being taken up for discussions with various stakeholders.

Annexure-5.1

Expenditure Budgets of Selected Film Bodies

UKFC Budget-Annual Report 04/05

Expenditure Area	Amount in Pounds
Development Fund	€4,000,000
Premiere Fund (commercial projects)	€8,000,000
New Cinema Fund (new & innovative)	€5,000,000
Lottery Franchises (companies)	€5,566,666
Nations (Policy and Strategy)	€505,000
Regional Investment Fund	€7,500,000
First Light (Children and Young People)	€1,000,000
Publications Fund	€100,000
Sponsorship	€400,000
Film Skills Fund	€6,500,000
Distribution & Exhibition Fund	€8,000,000
British Film Institute	€16,000,000

Expenditure 2004/05 taken from Telefilm Annual Report

Telefilm's Participation in Funds	Canadian Dollars
Canada Feature Film Fund,	$91,443,000
Canada New Media Fund	$9,484,000
Canada Television Fund	$114,695,000
Canada Music Fund	$8,728,000
Other Funds	$4,306,000
Corporate Management	$22,857,000
Misc	$160,000
Total	251,673,000

New Zealand Budget-Annual Report 04/05

Expenditure	New Zealand Dollars
Film Production	$13.5m
Film Development	$2.3m
Marketing	$1.2m
Talent Development	$2.4m
Resource and Industry Support	$1.4m
Administration	$1.9m
Total	$22.6m

Exporter	Value (in million of $)	Of country total	Of world total
World	664	0.20	100.00
Development Economies (1)	592	0.30	89.20
Developing Economies	55	0.04	8.25
Economies in transition(2)	2	0.16	0.35
Canada	318	2.79	47.86
Italy	160	0.57	24.07
United Kingdom	29	0.15	4.37
United States	28	0.11	4.25
France	21	0.12	3.23
India	16	0.20	2.46
Mexico	11	0.25	1.62
Republic of Korea	10	0.33	1.47
Australia	10	0.92	1.47
Romania	9	0.61	1029

Exporter	Value (in million of $)	Of country total	% of total for developing economies	Of world total
World	664	0.20	-	100.00
Development Economies (1)	592	0.30	-	89.20
Developing Economies	55	0.04	-	8.25
Economies in transition(2)	2	0.16	-	0.35
India	16	0.20	29.87	2.46
Mexico	11	0.25	19.68	1.62
Republic of Korea	10	0.33	17.77	1047
Thailand	8	0.17	13.74	1013
Argentina	5	1021	8.67	0.72
China, SAR of Hong Kong	3	0.01	5.20	0.43
Chile	0	0.21	0.90	0.07
Turkey	0	0.01	090	0.07
South Africa	0	0.09	0.83	0.07
Singapore	0	0.01	0.51	0.04

Source: International Film Agencies Overview, Australian Film Commission website: screenaustralia.gov.au

Appendix-1

Persons will whom the Study Team Interacted

Name	Designation	Agency
Sri Raghu Menon	Secretary	Ministry of Information and Broadcasting
Sri Uday Kumar Verma	Special Secretary	Ministry of Information and Broadcasting
Ms. Dipali Khanna	Additional Secretary	Ministry of Information and Broadcasting
Sri D.P Reddy	Joint Secretary	Ministry of Information and Broadcasting
Sri Pyare lal	Joint Secretary	Ministry of Information and Broadcasting
Sri B. Brahma	Economic Advisor	Ministry of Information and Broadcasting
Sri Amitabh Kumar	Director	Ministry of Information and Broadcasting
Sri Shankar Mohan	Sr. Deputy Director	Directorate of Film Festivals
Sri E. N. Sajith	Deputy Director	Directorate of Film Festivals
Smt. Nina Lath	Managing Director	NFDC, Mumbai
Sri Suvabrata Haldar	Regional Manager	NFDC, Kolkata
Sri Shailesh Kumar	Director	Media & Research Services Pvt. Ltd.
Smt. Amita sarkar	Senior Director	FICCI
Sri Mukesh bhatt	Vice President	Film Producers Body, Mumbai
Sri Sanjiv Chawla	Director	Kolkata Knight Riders
Sri Pahlaj Nihalani	President	The Film & Television Producers Guild of India Ltd.
Sri Supran Sen	Secretary General	The Film & Television Producers Guild of India Ltd.
Sri Anindya Dasgupta	Assistant Secretary General	The Film & Television Producers Guild of India Ltd.
Sri Ajit Sen	Vice President	Eastern India Motion Picture Association (EIMPA), Kolkata
Sri Biplab Chakraborty	Chairman	EIMPA, Kolkata
Sri Jogin De	Film Producer-Distributor-Exhibitor and Booker	Jogin Films
Sri M. Shyam Prasad Reddy	Member	Andhra Pradesh Film Chamber of Commerce (APFCC)
Sri D. Suresh Babu	Member	APFCC
Sri A. Rajkumar	Member	APFCC
Sri P. Subhramnayam	Member	APFCC
Sri T. Bharadwaj	President	Telugu Film Producers Council
Members	Members	Karnataka Directors Association