

3-Day FICCI FRAMES 2010 Opens in Mumbai
NO GIVING IN TO EXTERNAL OPPOSITION TO RELEASE
OF A FILM: CHIEF MINISTER ASHOK CHAVAN
Calls for strict enforcement of existing anti-piracy laws

MUMBAI, March 16, 2010: The Maharashtra Chief Minister, **Mr. Ashok Chavan**, today assured the film and entertainment fraternity of the State and Central government's unstinted support in ensuring the right of the people to see films they wanted, declaring that "We would strive to ensure that there was only one censor, the Censor Board", and not succumb to any external opposition to the release of a film.

Inaugurating 'FICCI FRAMES 2010, the Global Convention on the Business of Entertainment', Mr. Chavan said, in an obvious reference to the opposition to the release last month of the Shah Rukh Khan starrer, *'My Name is Khan'*, "When things go beyond a point, it is the duty of the government and the people to uphold the Constitution and protect the democratic rights of the people."

Responding to the observations by **Mr. Harsh C. Mariwala, Senior Vice President, FICCI & Chairman & Managing Director, Marico Ltd. and Mr. Yash Chopra, Chairman, FICCI Entertainment Committee & Yashraj Films**, the Chief Minister, while taking a serious view of film piracy, said that the real need was to enforce the existing anti-piracy laws and assured the Central and State Government's commitment to give full protection to the right of the film producers to ensure that their innovative spirit was not trampled upon.

On the occasion, the Chief Minister released the *FICCI-KPMG Report on Indian Entertainment Industry and the FICCI-Amarchand Mangaldas Law Book*.

In a special keynote address, **Mr. James Nicholas Gianopulos, Chairman & CEO, Fox Filmed Entertainment, Inc.**, said that the creative soul of India should not be allowed to be curbed for lack of enforcement. This, he said, would require the full support of the government and the people, for "what's at stake is the creativity and innovation in the film industry."

Great stories and great talent have no borders, Mr. Gianopulos said, adding that film makers should "act global and think local and learn from everyone." He advised the film makers to "make a film for someone or make it for everyone, know the difference and determine the risk and reward."

The inaugural session of the three-day FICCI FRAMES, was also addressed by **Shah Rukh Khan and Ms. Louise Sams, Executive Vice President and General Counsel, Turner Broadcasting System Inc. & President, Turner Broadcasting System International**.

The *FICCI-KPMG report* points out the Indian M&E industry went through a tough phase in last two years due to the economic slowdown which impacted businesses in the country. The industry which is dependent on advertising for almost 40% of its revenues

was hit due to shrinking ad budgets of the corporate world. However, the industry as a whole remained at an almost flat rate registering a very modest growth of around 1.3% in 2009 compared to 12 % in 2008. It is poised for recovery in 2010, riding on the back of economic growth picking up and favorable demographics of the country.

The report notes that 2009 was a year marked with innovations and cost efficiencies which came about in all the sectors, more as a necessity to combat the pressures on bottom line. Newer content formats and strategies adopted by the players in the industry ensured that customers had more choices and led to the evolution of the industry. Cost efficiencies which came about last year proved to be a silver lining for the industry in a bad year as the industry feels some of the measures adopted are here to stay and will benefit players in the long run.

Some sectors were impacted more than the others like OOH and Films, both of which registered a negative growth during the year. Even in 2010, they are expected to recover with an almost flat or moderate growth rate. Sectors like Print, Radio and music either remained flat or showed a very moderate growth. TV industry displayed an almost double digit growth rate, mainly on account of subscription revenues, though advertising revenues also showed positive growth. Internet, Gaming and Animation, brought reasons to cheer for the industry with their growth rates touching double digits, albeit on a smaller base.

The report identifies 10 key drivers for the growth of the M&E industry. These are: digitization to help in spreading the reach and impact of M&E industry; regionalization to aid in inclusion of untapped markets; convergence and impact of new media to benefit media players; consolidation leading to emergence of players with superior capabilities; competition expanding the operating market; talent development and management key to business success; innovation across product, process, marketing, distribution and business model by media players; the growing importance of pay markets in media business models; consumer research to ensure consumer oriented media products and delivery; and focus on 360 degree connect with consumers

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