

# **What stop India from becoming a media hub?**

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For the first time ever the Finance Minister Yashwant Sinha met the leaders of the entertainment industry as a part of his pre-Budget exercise and raised the hopes of the industry. That consultation has not gone waste. Having been one of those invited for that meeting. I am not disappointed with the Budget 2000 proposals. In fact, I think, the Finance Minister deserves praise. Firstly, he recognised the role of the entertainment sector “as an area of promises”. But, while symbolically, he reduced customs duty significantly on import of projection equipment from 40 percent to 20 percent and colour raw films from 50 percent to 5 percent, nowhere near the kind of concessions announced for IT and telecom sectors, were given for the entertainment sector.

However, he rightly recognised that individual initiatives matter far more in this activity, and hence non-corporate tax assesses as well have been allowed the same benefit as the corporatized film production house.

But Budget 2000 does not consider any other activity other than film industry in the growing entertainment sector. Personal appearances abroad, amusement parks and entertainment plazas, for example, have potential too and should have been given some encouragement.

In fact, the opportunities from entertainment enterprises could be several times more than what Indians have so far realised – at home and revenues from abroad. Extension of 80 HHC benefits to exporters of entertainment industry is a welcome feature.

India should have been by now, a content capital and media hub. This cannot happen unless the government takes more initiatives. Entertainment enterprise should be equated with knowledge industry and treated accordingly. This has not been done in Budget 2000. For example, venture capital finance should have been extended to the entertainment sector as most of players in this activity are young and upcoming

entrepreneurs. Entertainment as an enterprise and as a service has been expanding in scope and volumes by leaps and bounds with technology being the driving force as in the case of mass media. Music, not just the film music, is the fastest growing segment of entertainment industry today. And yet this has not been considered even as India has already become a leading audio cassette market in the world as in the case of popular feature films.

Had the BJP-led government viewed the entertainment potential of India as a part of its swadeshi campaign and gone beyond in extending promotional support. It would have furthered the interests of the country. After all, the spread of culture is through entertainment.