

Reflection & Development of India's Creative Economy



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REFLECTION & DEVELOPMENT OF INDIA'S CREATIVE ECONOMY

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EXECUTIVE SUMMARY

Creative industry has been one of the oldest elements of the human civilization; however, the term ‘creative industry’ is not bound by a single definition. UNCTAD defines the creative economy as an evolving concept which runs on the interaction between human creativity and ideas and intellectual property, knowledge, and technology. In recent times, however, besides facing issues related to intellectual properties, the creative industry faces challenges from the competition faced by technology.

While the broad contours of creative industry per se do not have any boundaries, it has evolved significantly over the last few decades as its acceptability necessitated a focused approach. Developed countries such as France, which has a rich cultural heritage, had in fact created a dedicated Ministry of Culture as early as in 1959. On the other hand, Australia released their new cultural policy titled ‘Creative nation’ in 1994, one of the first of its kind globally. Further, in the UK, the term creative industries came into the picture, around two decades ago in 1997, wherein it described a range of activities which are a part of it. Activities such as theatre, music, film, visual arts etc. were already a part of a broader term called cultural industries. Today, the UK has in place a Creative Industries Council (CIC), which is a forum of government, creative businesses, and other creative organizations.

Measuring Creative Economy

The diversity of creative economy poses a challenge in estimating the true size of it. An attempt was made by the UNESCO in 2015 in a report ‘Cultural Times: The First Global Map of Cultural and Creative Industries’ to measure the size of the creative economy in 2013. As per the report, the global size of the cultural and creative industries (CCI) was valued at US\$ 2250 billion, which was roughly 3% of the global GDP in 2013 and the industry employed around 29.5 million people. While there is no such reliable information or data globally, the size of creative economy would have evolved since then.

TV segment contributed the most to revenue at 20% while the highest share in employment was of visual arts at 21%. In terms of the regions, Asia-Pacific (APAC) was the largest CCI market in 2013 with US\$ 743 billion of revenues accounting for 3% of its regional GDP and was followed by Europe at US\$ 709 billion.

Further, in the Indian context, one of the major segments under the cultural and creative industries is the film industry. According to KPMG’s Media and Entertainment report 2020, the total screen count in India in FY 20 was 9440. Out of the 9440 screens in FY 20, 3150 screens were multiplexes screens. As per the Motion Picture Association’s (MPAA) 2020 theme report, in 2019, India ranked 6th globally, outside the US, with respect to the top international box office markets by revenue. The reason behind such a significant size of Indian box office market is the diversity of languages in which the films are made.

Trade in Creative Industry

In this Study, an effort has been made towards analyzing the 7 key creative industries identified by UNCTAD, so as to understand their trade potential. These 7 key industries classified as part of the creative economy

include art crafts, audiovisuals, design, new media, performing arts, publishing, and visual arts. It may be noted that UNCTAD's calculation are based on various HS codes.

A detailed review to assess India's position in the creative goods trade as well as assess India's export competitiveness in various segments of creative goods, apart from briefly touching upon India's trade in creative services, has also been deliberated.

Global exports of creative goods recorded an AAGR of 5.5% during 2010 to 2019; however, India's exports of creative goods grew faster, during this period, at 7.2%. With respect to India's imports of creative goods, it grew faster than the exports and recorded an AAGR of 9%, during the same period. The exports of creative goods from India increased from US\$ 13.8 billion in 2010 to US\$ 21.1 billion in 2019 – 1.5 times increase.

In India, the contribution of design segment was 87.5% of the total creative goods exports in 2019. Almost 9% is contributed by art crafts segment. In case of imports too, the highest share was of design segment at 41.4% in 2019, which gained a share of almost 14% over its share in 2010. The design segment was followed by audiovisuals and publishing with shares of 19.1% and 18.9%, respectively.

Trade in Creative Services

According to UNCTAD, the exports of creative services as a share of total exports of services from developed economies increased from 17.3% in 2011 to 18.9% in 2015. Also, the average annual growth rate of trade in creative services was recorded at 4.3% during 2011 to 2015, more than double of the overall services growth rate. Given the emergence of technologies such as VFX, animation, social media, e-commerce, amongst others, in the last decade, the creative services industry is expected to have a huge bearing on the performance of the developing economies as well.

While India is not a part of the developed countries discussed above, UNCTAD lists down a few services which can be assessed to measure the trade of creative services from India. These services are 'charges for the use of intellectual property n.i.e'; 'research and development'; 'audiovisual and related services'; 'computer services'; and 'information services'.

The exports of creative services from India touched US\$ 100 billion in FY20 and the share of creative services exports in the total service exports from India was recorded at almost 47% in FY 20, up from 43.5% in FY 11. Imports, on the other hand, were recorded at US\$ 17.7 billion in FY 20 and its share in total services imports was 13.8% in FY 20.

A segment-wise analysis shows India is having trade surplus under the 'computer services' category, and India has a deficit of over US\$ 6.5 billion under 'charge for the use of intellectual property n.i.e.' category. It may be noted that over 90% of India's creative services imports are from the two abovementioned categories.

Emerging Technologies in the Creative Industry

Creative industries' operations in the last few decades have seen consistent technological upgradations. The world saw the advent of internet, CDs, DVDs, digital payments, streaming services, and the latest, digital currencies such as bitcoin, in the last few years. Some of them have not found a perfect alternative, while some such as CDs and DVDs have seen a downfall.

Artificial Intelligence and Machine Learning

IBM corporation defines the artificial intelligence (AI) as any human like intelligence exhibited by a computer, robot, or other machine. In the commercial scope, AI is increasingly being explored in recent times. The

market value of AI was recorded at US\$ 7.2 billion in 2015. It increased almost six times by 2019 and was valued at US\$ 42.8 billion¹, with an AAGR of 60.2%, during this period. North America is the leader with a share of almost 51%, followed by APAC at 28%.

The success of AI in the creative industries lies on the concept of machine learning (ML) systems, which essentially is an application of AI where the system develops the ability to learn and improve continuously through the input data, which depends on the ML algorithm.

AI and ML are increasingly being used in the creative industries. For instance, a short film titled 'Sunspring' in 2016 was entirely written by an AI bot named 'Benjamin' using neural networks. Another example is of Forbes which has a tool named 'Bertie' for its editorial staff and senior contributors in North America. The tool can learn from and customize its output for different writers. It is important to note that while AI and ML are here to exist, they can only be strengthened with human collaborations.

Extended Reality (XR)

The extended reality (XR) is a term that engulfs all the immersive technologies such as augmented reality (AR), virtual reality (VR), and mixed reality (MR). While AR is the real-time use of information in the form of text, graphics, audio, and other virtual enhancements integrated with real-world objects, VR provides a computer-generated 3D environment. MR, on the other hand, is the merging of real and virtual worlds to produce new environments and visualizations.

The XR market was valued at US\$ 17.8 billion in 2019 and is forecasted to hit the mark of US\$ 296 billion by 2025, thereby it is expected to register a CAGR of 62% during 2019 to 2025². By application, in 2019, the share of virtual reality was highest at almost 49% in the extended market revenue. Particularly, in the creative industries, media and entertainment is one of the biggest end-user industries with respect to the XR market.

There are various examples associated with the use of XR in the creative industries. For instance, in the AR, popular game 'Pokemon Go' allowed the users to catch their favorite Pokémon by looking through their phones at the real world – but with superimposed images. Another example is in the VR space where Microsoft flight simulator offers the virtual reality mode which can give the users a virtual flight experience.

The future of XR segment is bright given that the time spent on screen has been increasing in the past few years. The daily time spent on internet per capita has increased from 32 minutes in 2011 to 143 minutes in 2020 on mobile. It is expected that market is expected to fuel this growth and increase the time spent on screen.

Blockchain

As per IBM, blockchain is a shared, immutable ledger that facilitates the process of recording transactions and tracking assets in a business network. While blockchain has been popular in the world of cryptocurrencies, its uses go beyond the digital currency concept and have the potential to completely change, how the creative industries operate.

Smart contracts can be integrated in the blockchains and can replace traditional contracts when it comes to the music and digital rights. The blockchain technology can distribute fairly amongst the stakeholders and is more inclusive, when it comes to giving the right share of revenue to stakeholders such as lyricists, music composers, singers, amongst others.

¹ Global Artificial Intelligence, October 2020, MarketLine Industry Profile

² Global Extended Reality Market (2020-25), Mordor Intelligence

Artists have a stronger voice in the blockchain in the context of pricing. Given that the work inside a blockchain can be tracked, it gets clearer on what is the actual demand of the content. And once the demand comes into the picture, this can lead to a better and efficient pricing system, which means the content is not mispriced.

Policies and Incentives in Select Countries

France

After France set up its Ministry of Cultural Affairs in 1959, the Ministry in 1970s, executed interdisciplinary and interdepartmental crosscutting policy which involved setting up procedures to establish partnership between government and cultural institutions. The Fonds d'intervention culturelle (FIC) or Cultural Intervention Fund was also set up during this time to finance innovative partnerships.

Today, the cultural and creative industries of France account for about 2% of its GDP and are providing employment to over 6 lakh people. The French creative industry dominates the world especially in the field of international film market and book publishing. As per the French government, 65% of the tourists come to France for cultural tourism.

The current French policy for the creative and cultural industries being driven by a EUR 1 billion effort which is divided into an acceleration strategy for cultural and creative industries (CCI) innovation of EUR 400 million and EUR 600 million for culture component under the France 2030 plan.

The French Government also provides the Tax Rebate for International Productions (TRIP) of 40% for large scale works which generate EUR 2 million in VFX related spending in France. The rebate for other live-action productions without a large VFX spend in France is 30%. It may also be noted that institutions such as Agence Française de Développement (AFD) have also been actively involved in the field of creative industry.

Australia

Australia was one of the first nations in the world to prepare a formal policy for creative industries. In 1994, Australia's first National Cultural Policy titled 'Creative Nation' was released. Understanding the importance of indigenous as well as the migrant cultures in Australia, the Government had set up Aboriginal Centre for the Performing Arts in 1997. A follow up to the 1994 policy was done in 2013 with the release of the document called 'Creative Australia' which is the National Cultural Policy of Australia.

With respect to the incentives to the creative industries, Australian Screen Production Incentive provides tax incentives for film, television, and other screen production in Australia and covers segments such as producer offset, location offset, etc. In the field of digital innovation, the Australian Government provides R&D Tax Incentive which ranges from 38.5% tax off-set to 43.5% tax off-set. The Australian Government has also in place Contemporary Music Touring Program (CMTTP) which supports national touring activity undertaken by the Australian musicians performing original contemporary music, with a priority on regional and remote locations.

Recently, in 2021, Australia also introduced its first-ever federal tax incentive for video game development. At the same time during the pandemic, Australia announced a comprehensive COVID-19 Creative Economy JobMaker Package totalling AU \$250 million to support artists and organisations to get back into business.

The UK

The UK set up the Department for Culture, Media, and Sport (DCMS) in 1997. Subsequently, a Creative Industries Task Force was set up which released the Creative Industries Mapping Document in 1998 and a follow-up report in 2001. The 1998 document attempted to define and measure the creative industries.

The UK government provides a host of tax reliefs to the creative industry. These include film tax relief, animation tax relief, high-end television tax relief, video games tax relief, children's television tax relief, theatre tax relief, orchestra tax relief, and museums and galleries exhibition tax relief. The Government of UK also has a music export growth scheme under which it provides grants ranging from £5,000-£50,000 to the UK-registered independent music companies.

Further, in 2018, the UK Government and the Creative Industries Council (CIC), agreed to a three year sector deal to stimulate investment and innovation by creative organisations. The Government of UK also launched the Culture Recovery Board to oversee the delivery of the Culture Recovery Fund, a £1.57 billion fund to tackle the crisis facing the cultural organisations, due to Covid-19.

South Korea

In the 1990s and 2000s, South Korea established a host of agencies and acts related to the creative industries, such as Korea Association of High-Tech Game Industry, Korean Federation of Design Associations, among others. Further, the Korea Creative Content Agency (KOCCA), was established in 2009 by integrating five related organizations. A landmark blueprint in 2013 was published by South Korea with the name 'Creative Economy Action Plan and Measures to Establish a Creative Economic Ecosystem', aiming to utilize Korea's science, technology and information and communications technology capacity to promote the creative economy.

On the incentives front, Korean Film council (Kofic), as part of its location incentive for foreign audiovisual works, provides a cash rebate of 30% of production costs in the country. South Korea also has in place the TIPS (Accelerator Investment-Driven Tech Incubator Program for Startup). It is designed to identify and nurture the most promising startups with innovative ideas and groundbreaking technologies.

Thailand

In 2005, the Thailand Creative & Design Center (TCDC) began its operations under the supervision of the Office of Knowledge Management and Development. In 2018, Creative Economy Agency (CEA), a governmental organization, was created that puts forth to develop the creative economy for economic and social growth. Thailand also launched the Creative Thailand Policy in 2009, which aimed at developing Thailand into a creative industry hub in ASEAN.

The Government of Thailand, in 2016, introduced incentive measures for foreign productions with the aim to attract international filmmakers and increase the number of high-investment productions. Other than using UNCTAD classification for creative industries, Thailand also includes Thai food and Thai traditional medicine in the creative industries group. The fashion and textile industry also forms an important part of the Thailand's creative industry. The textile industry gets various tax incentives including the corporate income tax exemption and exemption of import duty.

Nigeria

The creative industry in Nigeria is significantly unstructured. Nigeria is one of the largest economies in Africa and when it comes to the film industry, it constitutes an important part of the creative economy. It may be noted that Nigeria has the largest film industry in Africa.

In 2017, the Federal Government of Nigeria granted the creative industry a pioneer status and the industry gets benefits such as tax holidays. The industries included in the pioneer status are music production, publishing and distribution (including online digital distribution); photography; among others. Further, for the film industry while the Nigerian government provides incentives in kind such as free location permits, free security detail, reduced rates of hotels etc., there are no specific tax incentives for feature films, TV series or commercials shooting in Nigeria.

Indonesia

In 2007, Indonesia's first ever Cultural Product Week was launched, and its name was changed to Indonesian Creative Products Week in 2009. In 2011, Indonesia established a new ministry called Ministry of Tourism and Creative Economy. In 2015, the Government of Indonesia set up the Indonesian Agency for the Creative Economy (BEKRAF).

In 2017, BEKRAF launched the framework of Investment Readiness Level (IRL) for the fashion, craft, application and game developers, and culinary sub-sectors. In 2017, BEKRAF also launched Government Incentive Assistance (BIP) program, to provide capital access for creative economy businesses in the digital application, game development and culinary sub sectors. BEKRAF has also launched Food Startup Indonesia (FSI), a forum for Creative Economy players, especially in food or culinary activities, engaged both online and offline.

In 2019, in order to promote the copyright interests of the music industry, BEKRAF also partnered with the company Massive Music Entertainment on Project Portamento, to use blockchain technology to protect artists' copyright.

Select development strategies for India's creative industry

While various incentives have been announced by the Government of India at the individual industry level, the creative economy, needs a new push to take a big leap forward, especially with the quickly evolving technology.

Defining and Mapping the Creative Industries in India

For India, the first and foremost important task would be to define the bandwidth of creative industry in the country. While there is a definition provided by UNCTAD, India can look beyond that and expand the scope of the same while defining the creative industry, as in Thailand which included Thai food and Thai traditional medicines in their definition of creative industry.

It is also suggested that the Government of India may explore the feasibility of tying up with specialized institutions in this space such as the UNESCO and British Council. UNESCO's International Fund for Cultural Diversity (IFCD) supported a project 'Mapping and developing cultural and creative industries in Montenegro' which was completed in February 2020. Overall, the ultimate objective should be to formally recognize the creative industries sector, so that relevant policies could be explored.

Finance

One of the most important challenges that the cultural and creative industries across the world face is of financing. Various institutions in the world have set up fund to help this industry grow. For instance, the European Commission (EC) has in place the Cultural and Creative Sectors Guarantee Fund (CCS GF) that will guarantee up to €2 billion of new loans for thousands of cultural and creative SMEs. India could also establish a similar guarantee fund specifically for creative industries.

Further, awareness programs could be conducted by the government to raise the awareness amongst the financial institutions on how probably new age models such as revenue-based financing could be considered to finance the enterprises in the creative sector even if they lack collateral.

Establishing Joint Programs

India could also establish a joint programme for the creative sector funding using its relationship with various multilateral fora. For instance, the EU had a Creative Europe programme during 2014-20 with a budget of €1.47 billion. The programme was further renewed for the 2021-27 period. ASEAN also has 'ASEAN Strategic Plan for Culture and Arts 2016-2025' to deepen an ASEAN mindset and facilitate intercultural dialogue among the people of ASEAN through the engagement of various stakeholders in raising awareness on, and appreciation for, the histories, cultures, arts, traditions and values of the ASEAN region.

The main objective of this program could be to safeguard, develop and promote the cultural and linguistic diversity and heritage, and increase the competitiveness and economic potential of the cultural and creative sectors.

Addressing the Issue of Copyrights

India came up with the National Intellectual Property Rights Policy in 2016 which has a rationale to create awareness about the importance of IPRs as a marketable financial asset and economic tool. However, India's ranking is not up to the mark with respect to the copyright protection when compared to the nations around the world. In the Global Intellectual Property Index 2021, India's rank was 40 among 53 economies.

Amongst the various challenges in the creative industry in India, one that remains prominent is copyrights. It is estimated that Indian films lose US\$ 2.7 billion of revenue every year due to piracy.

Additionally, as per KPMG, in the Indian music industry, the piracy rate stands at almost 67% which is significantly higher than the global average of 27%.

India could also explore the Chinese model under 'Sword Net Action'. In 2020, China launched a special nationwide action codenamed 'Sword Net 2020' campaign to crack down on online copyright infringement and piracy. This campaign lasted four months and happened for the 16th time since 2005. Today, due to this campaign, the takedown rate of pirated content is at almost 97%³, despite the fact that China has one of the highest piracy rates in the world. This campaign includes tasks such as enhancing the copyright protection in the media integration development; and strictly rectifying the online copyright infringements upon cinema movies.

Promoting MSMEs and Local Artisans

The Creative industries include a variety of segments such as carpets, yarn, fashion, jewellery, interiors, among others which are dominated by MSMEs. As a result, it becomes vital to promote creative goods from these enterprises.

Government of India can tie up with e-marketplaces such as Amazon, for providing the relevant funding to help the Indian MSMEs with product designing and new vision, awareness, and product development, leveraging their awareness of the global demand pattern.

³ Disabling the pirated content which means 97% of the pirated content is removed

On the offline mode, it will be important for the Government to promote stores which directly source from the artisans and provide them to the customers. The Governments (Centre or State) can explore the options of tying up with brands that are already doing this or could help in branding those businesses.

Establishing the Creative Districts/Hubs

There are over 700 districts in India, each spread over large areas, possessing its own identity, and culture. The Governments across India, both central and state, could identify some of the districts that could be put in the category of creative districts, on the lines of the creative districts model in Thailand. In-depth research could be carried out by a central government agency or in collaboration with subject matter expert agencies such as the British Council, to identify creative districts in India. The Creative districts concept could have a lot of benefits including giving the platforms to the artists to showcase their skills, attracting the tourists, establishing a sense of community in the region's population, etc. Further, there could be other social and economic benefits that can come out of the creative districts.

Forming a Specialized Institution for Creative Industries

A full-fledged thrust, post the mapping of the creative industries in India, can only be given once a nodal agency is set up which is specifically dedicated to the growth and development of the creative industries in India. It may be noted that countries such as the UK (Creative Industries Council), Thailand (Creative Economy Agency), Indonesia (Agency for the Creative Economy (BEKRAF)), etc. already have creative industry development institutions in place.

On the lines of these institutions, India could also set up a dedicated creative industry development institution, Creative Industry Agency (CEA) of India. Incentives could be introduced by this agency for the creative industry. For instance, for the music industry and similar creative industries, one of the incentives could be initiating government funded music-centric grants and export schemes. This could be in line with the music export growth scheme of UK which is designed to make grants available to UK-registered independent music companies in order to assist them in marketing campaigns to introduce successful projects overseas. Some of the other objectives of this agency could be cultivating and increasing various marketing points for the creative goods and services from India, for the domestic market as well as the foreign markets.

Catering to the New Technologies

It is important to see how the newer technologies such as the artificial intelligence (AI), augmented and virtual reality (AR/VR), blockchain, etc. have disrupted the creative sector. Given the increased uses of these technologies, it is imperative for India to adopt these technologies in the creative space. Currently, technologies such as blockchain are mostly restricted to the finance sector in India. However, a huge potential lies to leverage such technologies in the creative sector as well. A similar situation also exists for the AI technology. AI holds a huge potential in the areas such as film industry and the western countries are already displaying that. The Government or its designated agency may arrange workshops and courses for these creators to make them utilize the benefits of this technology.

Table 1: Tabular Analysis of Trade in Creative Goods

Segment (No. of HS-6 digit codes)	Global			India				
	Global Exports and AAGR (2010-19)	Top Exporters in 2019 (% share)	Top Importers in 2019 (% share)	India's exports and AAGR (2010-19)	India's imports and AAGR (2010-19)	Major Export Destinations (% share)	Major Import Sources (% share)	Export Competitiveness in 2019 ⁴ (RCA)
Art Crafts (65)	US\$ 44 billion, AAGR: 3.9%	China (50%), Turkey (7%), India (4%)	USA (25%), UK (5%), Vietnam (4%)	US\$ 1863 million, AAGR: 6.6%	US\$ 323 million, AAGR: 8.9%	USA (38%), Germany (6%), Sri Lanka (6%)	China (40%), Hong Kong (16%), Sri Lanka (10%)	Competitive
Audiovisuals (6)	US\$ 18 billion, AAGR: 16.2%	Singapore (13%), Germany (12%), USA (9%)	China (14%), Thailand (12%), Germany (8%)	US\$ 112 million, AAGR: 5.4%	US\$ 975 million, AAGR: 4.1%	UAE (57%), Hong Kong (11%), Germany (10%)	USA (66%), Finland (8%), Singapore (5%)	Not Competitive
Design (75)	US\$ 391 billion, AAGR: 5.9%	China (33%), Italy (8%), France (5%)	USA (20%), Hong Kong (7%), Switzerland (6%)	US\$ 18416 million, AAGR: 8%	US\$ 2098 million, AAGR: 34.4%	UAE (47%), USA (18%), Hong Kong (9%)	China (46%), USA (11%), Hong Kong (8%)	Competitive
New Media (6)	US\$ 60 billion, AAGR: 11.2%	China (23%), Chinese Taipei (12%), Hong Kong (9%)	USA (25%), Hong Kong (9%), Germany (6%)	US\$ 160 million, AAGR: 19.2%	US\$ 462 million, AAGR: 2.6%	UK (19%), Germany (12%), USA (11%)	China (21%), Malaysia (21%), Singapore (15%)	Not Competitive
Performing Arts (14)	US\$ 5587 billion, AAGR: 2%	China (28%), Germany (11%), USA (10%)	USA (23%), Germany (10%), China (7%)	US\$ 22 million, AAGR: 16%	US\$ 50 million, AAGR: 10.3%	USA (34%), Germany (21%), Malaysia (5%)	China (60%), Malaysia (14%), Indonesia (12%)	Not Competitive
Publishing (15)	US\$ 33 billion, AAGR: (-) 2.1%	Germany (12%), UK (10%), USA (10%)	USA (13%), Germany (9%), UK (7%)	US\$ 328 million, AAGR: 6.9%	US\$ 964 million, AAGR: 1.1%	USA (20%), Ethiopia (9%), UK (8%)	Russia (28%), Canada (15%), USA (8%)	Not Competitive
Visual Arts (16)	US\$ 50 billion, AAGR: 7.5%	USA (27%), UK (25%), China (17%)	USA (37%), Hong Kong (13%), UK (9%)	US\$ 157 million, AAGR: 5.9%	US\$ 213 million, AAGR: 25.8%	USA (43%), China (12%), UK (11%)	China (39%), USA (27%), UK (10%)	Not Competitive

Source: UNCTAD, ITC Trade Map, India Exim Bank Research

⁴ Shown by Revealed Comparative Advantage (RCA)



Overview of Creative Industry

At the outset, it is important to note that there is no clear definition of the creative economy. However, various institutions have given different definitions for the creative economy.

John Howkins, one of the renowned British authors and speaker on creative industries in his 2001 book, 'The Creative Economy: How People Make Money from Ideas', states that creative economy refers to the socio-economic potential of activities that trade with creativity, knowledge, and information. In this book, he identifies 15 broad industries as part of creative economy, and these include: advertising, arts and crafts, design, fashion, film, video, photography, music, performing arts, publishing, research & development, software, computer games, electronic publishing, and TV/radio.

Going forward, the United Nations Conference on Trade and Development (UNCTAD), which has been one of the pioneers in the work on creative economy since the early part of the last decade, defines it as an evolving concept which runs on the interplay between human creativity and ideas and intellectual property, knowledge, and technology.

In short, creative industries are based on the knowledge-based economic activities. And when all parts of creative industries are summed together, including trade, labour, and production, it is termed as creative economy.

Overall, the very concept of protecting intellectual property which says that an idea is to be protected by various measures from being copied or being used for commercial purposes without the permission of the original creator, is central to the concept of a creative industry.

One of the early formal documentations of creative industries was in Australia when the Government of Australia released their new cultural policy titled 'Creative nation' in 1994. It was aimed to help Australia in exemplifying the new age IT opportunities and growing wave of global culture by digital media. This policy was supported by an additional funding of AUD 250 million to cultural institutions⁵.

Further, in the UK, the term creative industries came into the picture around two decades ago in 1997 and described a range of activities which are a part of it. Activities such as theatre, music, film, visual arts etc. were already a part of a broader term called 'cultural industries'⁶. Today, the UK has in place a Creative Industries Council (CIC), a forum of government, creative businesses, and other creative organizations. In 2018, the CIC also set up the Creative Industries Trade & Investment Board (CITIB) to spearhead the efforts on exports and inward investment. In fact, the British government drew inspiration from Australia's report of

⁵ Moore (2013), Cultural and Creative Industries concept – a historical perspective

⁶ British Council

‘Creative Nation’ and published ‘Creative Industries – Mapping Document 1998’ listing the areas of activities under this industry. The report generated a lot of interest and in a follow up analysis in 2001, it was estimated that the creative sector was generating jobs at almost a double rate of the UK economy.

Measuring the Creative Economy

The very nature of creative economy makes it a challenge to measure it or assess the true size of it. Inconsistencies in having a proper definition exist across the world, on what would be considered in the creative industries. Further, there are elements like piracy which are intertwined with the concept of creative industries.

However, an attempt was made by the UNESCO along with EY in 2015 in a report ‘Cultural Times: The First Global Map of Cultural and Creative Industries’ to measure the size of the creative economy in 2013. The report analyzed the cultural and creative industries (CCI) for 11 sectors namely, advertising, architecture, books, gaming, music, movie, newspapers & magazines, performing arts, radio, TV, and visual arts for five global regions involving North America, LAC, Europe, Africa and the Middle East, and Asia-Pacific.

UNESCO's Classification of Cultural and Creative Industries



Source: UNESCO

Formal Cultural Economy

As per the abovementioned report of the UNESCO, the global size of the cultural and creative industries was valued at US\$ 2250 billion, which was roughly 3% of the global GDP in 2013. Further, the CCI employed approximately 29.5 million people in 2013.

With respect to the segments within the CCI, by revenue, television topped the charts with over 20% of the revenue contribution. Visual arts, newspapers & magazines, and advertising contributed in double digits to the total CCI sector revenue. However, by employment, the highest share lied with visual arts (21%), followed by music (13%), and books (12%).

Further, in terms of regions, Asia-Pacific (APAC) was the largest CCI market in 2013 with US\$ 743 billion of revenues accounting for 3% of its regional GDP. The industry also provided 12.7 million jobs in APAC. The report also states that, Tencent, which is one of the top MNCs in the gaming industry, had revenues of almost US\$ 20 billion in 2013 and was a significant contributor to the APAC CCI revenue.

The second largest CCI market by revenue in 2013 was Europe with a revenue of US\$ 709 billion and employment totaling to 7.7 million. The CCI contributed to almost 3% of the GDP of Europe. Europe is given a boost by the strong history of its traditional cultural economy. Also, UK is a leader in this space especially due to its contemporary art.

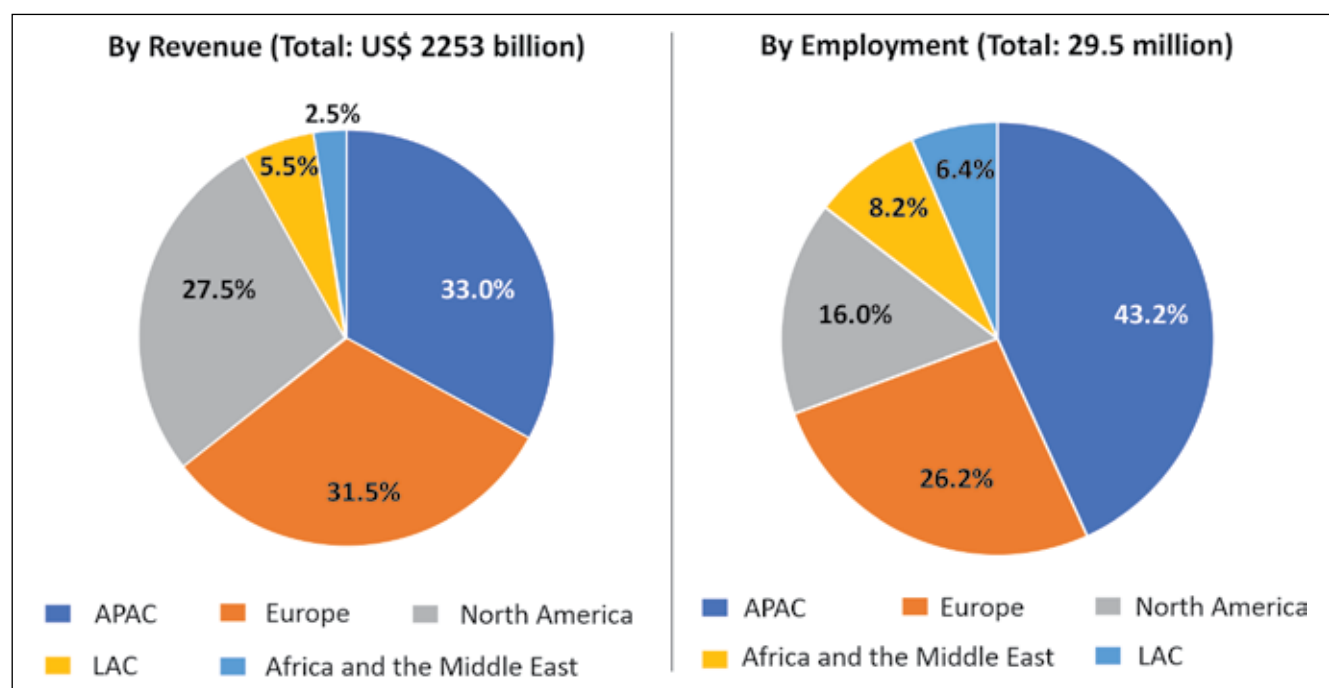
Table 2: Global Cultural and Creative Industries Sectors by Revenue and Employment

Sector	Revenue in US\$ Billion, 2013	Employment in 2013
Television	477	35,27,000
Visual arts	391	67,32,000
Newspapers and magazines	354	28,65,000
Advertising	285	19,53,000
Architecture	222	16,68,000
Books	143	36,70,000
Performing arts	127	35,38,000
Gaming	99	6,05,000
Movies	77	24,84,000
Music	65	39,79,000
Radio	46	5,02,000
Total (before removing double counting)	2,285	3,15,24,000
Total (minus double counting)	2,253	2,95,07,000

Source: Cultural Times: The first global map of cultural and creative industries, 2015, UNESCO

North America region which is the third largest in CCI revenue contributed to 3.3% of North American GDP in 2013. It also had 4.7 million people employed in this industry in 2013 and the region is the leader in digital transformation.

Figure 1: Top Creative and Culture Industries Markets: 2013



Source: Cultural Times: The first global map of cultural and creative industries, 2015, UNESCO

The Informality in the Cultural Economy

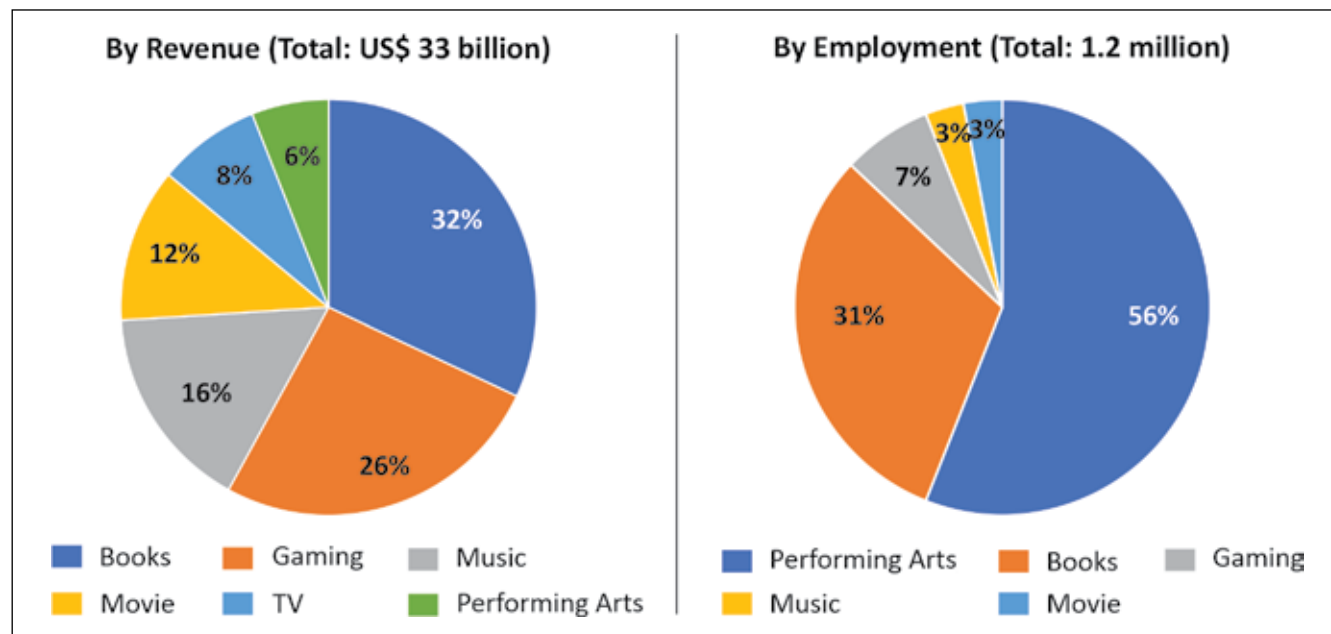
Any good or service which escapes the official record and still generates revenue would fall under the purview of informal economy. The cultural and creative industries are no stranger to this concept and in fact, a significant piece of CCI is within the informal economy. The informal side of the CCI could involve two elements.

First is in the illegal scope, such as piracy. Physical piracy could include manufacturing unauthorized copies of articles such as books and selling them while the digital piracy could include unauthorized distribution of otherwise protected works such as the movies which are downloaded through online streaming mechanisms. Second is within the legal scope but usually escapes the formal arrangements or agreements. Generally, it involves content by the creators who use rather informal channels to distribute it and earn revenue through it.

As per the UNESCO, the reference report being discussed, in the US, music piracy causes over US\$ 12 billion in economic losses and over 70,000 jobs loss every year. Further, the report does a combined assessment of Africa, LAC, and APAC regions for the informal sales of cultural goods and services, and the associated employment, particularly because the activities such as piracy are rampant in these regions.

In the combined three regions mentioned above, the biggest revenue generator is the books segment contributing to almost one-third of informal revenue in the cultural and creative markets. This is followed by gaming at 26%. However, with respect to the employment, performing arts houses the majority of people, followed by books at 31%.

Figure 2: Informal Revenue and Employment in Cultural Goods and Services for Africa, LAC, and APAC Regions: 2013



Source: Cultural Times: The first global map of cultural and creative industries, 2015, UNESCO

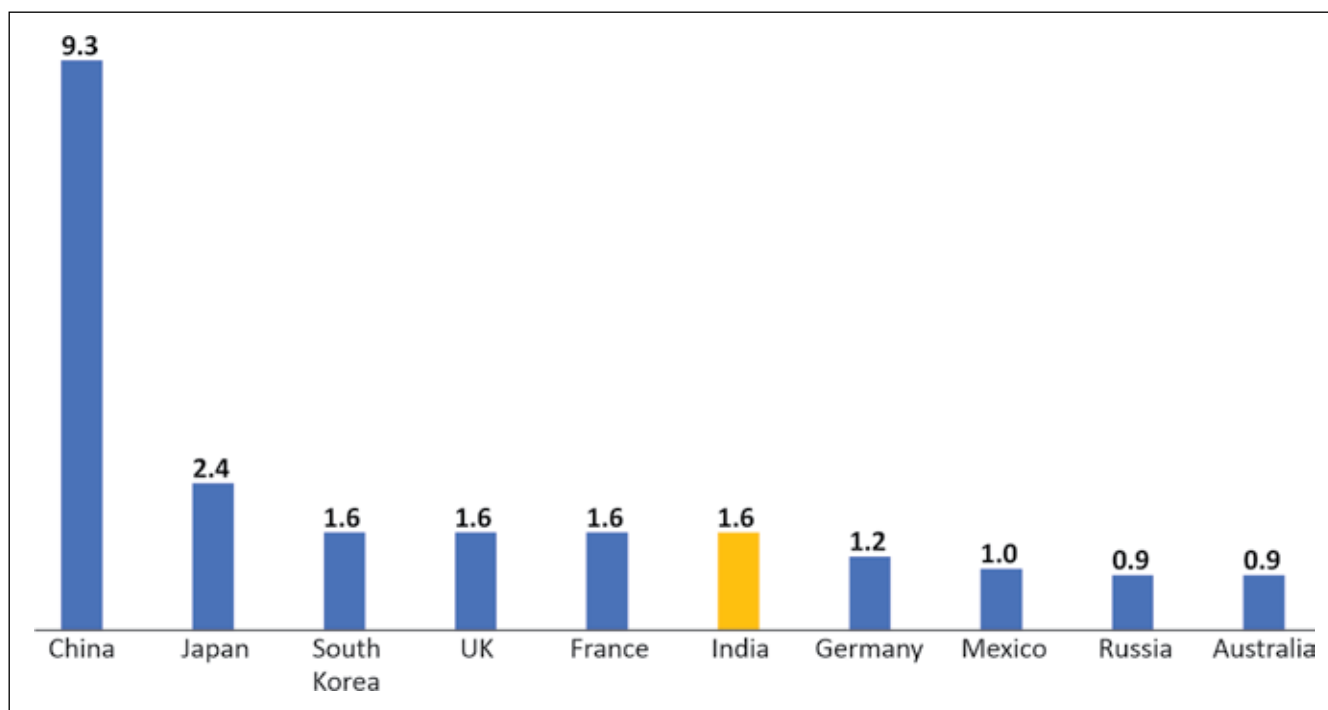
Case of India

In the case of India, one of the major segments under the cultural and creative industries is the film industry. India houses both the single screens as well as multiplexes in huge number.

According to KPMG's Media and Entertainment report 2020, the total screen count in India in FY 20 was 9440, down from 9596 in FY 19. Out of the 9440 screens in FY 20, 3150 screens were multiplexes screens.

As per the Motion Picture Association's (MPAA) 2020 theme report, in 2019, India ranked 6th globally, outside the US, with respect to the top international box office markets by revenue. The reason behind such a size of Indian box office market is the diversity of languages in which the films are made. For the northern part of India, there is a huge audience for Hindi films while there is significant regional audience for films in regional languages such as Telugu, Tamil, and Bengali. Indian films are also being exported to various markets in the sub-continent as well as to the markets where there is Indian diaspora.

Figure 3: Top International Box Office Markets Outside the US in 2019 (US\$ Billion)



Source: Motion Picture Association (MPAA)

Further, it is important to note that the overall media and entertainment industry revenue was Rs 1751 billion in FY 20, up from Rs 1183 billion in FY 16. The CAGR recorded during this period in the media and entertainment revenue was 10%. The CAGR during the same period was recorded at over 30% for two segments, namely, digital and OTT, and gaming.

It is also important to mention that the Indian newspaper industry is the largest newspaper industry in the world. As per Statista, there are over 1,00,000 registered newspapers in India with a revenue of close to INR 300 billion. Just like the box office market, the large size of the Indian newspaper industry is due to various languages that exist in India.

Table 3: Media and Entertainment Sector Revenue in Rs Billion

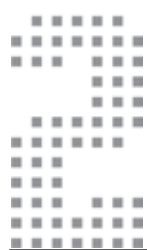
Segment	FY16	FY17	FY18	FY19	FY20	CAGR (FY16-20)
Digital and OTT	65	86	121	173	218	35%
TV	552	596	652	714	778	9%
Print	288	308	319	333	306	2%
Films	137	145	159	183	183	8%
Animation, VFX and post-production	53	62	74	88	101	18%
Gaming	28	32	44	62	90	34%
Out of home	26	29	32	34	31	5%
Radio	23	24	26	28	25	2%
Music	11	13	14	17	19	14%
Total	1183	1295	1440	1631	1751	10%

Source: Accessed from KPMG Media and Entertainment Report, 2020

The Study

The recent Covid-19 crisis in the world has impacted all the industries in India to varying extents. The creative industry was not left untouched. However, given its nature, the impact on creative industry has not been large. The independent creators have come into picture. Mediums such as youtube, spotify, netflix, amazon, amongst others have promoted the indie talent significantly, in the recent times. Further, the industry is evolving and getting more organized, both with respect to the goods and services.

The study, on these lines, attempts to assess the trade in creative industries, especially the merchandize trade, and highlights where does India's competitiveness lie. It also touches upon the new and evolving technologies in the world which are playing a significant role in the growth of the creative industries around the world. The study also briefly analyses the creative industries policies of a few nations. Finally, the study provides some recommendations which can be executed to promote the creative industries in India and take them to a platform where these industries are not just catering to the domestic market but also the foreign markets and ultimately, getting the real worth for their creativity.



Trade in Creative Industry

As we would understand from the previous sections that the bandwidth of creative economy is quite wide and large, and there is no clear definition. However, UNCTAD as we now know, had initiated some of the preliminary research, and had identified some segments which could be considered a part of the creative economy. This Study would follow UNCTAD's definition as we deep dive into the understanding of the trade potential of select 7 key industries classified as part of the creative economy – these include: art crafts, audiovisuals, design, new media, performing arts, publishing, and visual arts.

As per the UNCTAD database, the global exports of all creative goods, consisting of the 7 segments, was recorded at US\$ 509 billion in 2015, out of which over 60% was the contribution of design segment.

It is however important to note that the UNCTAD's calculation are based on various HS codes. As a result, this Study does an independent analysis of the trade based on HS codes at 6-digit provided at HS 2012 revision for seven segments by UNCTAD⁷.

Overall, it is noted that the global exports were recorded at approximately US\$ 600 billion in 2019, with the greatest contribution coming from design segment. The importance of design segment is even more in India's case as virtually almost all trade surplus of creative goods in India is contributed by the design segment.

Table 4: Segment-Wise Number of HS Codes for Creative Goods

Segment	Number of HS codes at 6-digit	Global Exports: 2019 (US\$ Billion)	India's trade balance: 2019 (US\$ Billion)
Art Crafts	65	44.1	1.5
Audiovisuals	6	17.8	-0.9
Design	75	390.5	16.3
New Media	6	59.5	-0.3
Performing Arts	14	5.6	-0.3
Publishing	15	33.3	-0.6
Visual Arts	16	49.5	-0.06
Total	197	600.2	16

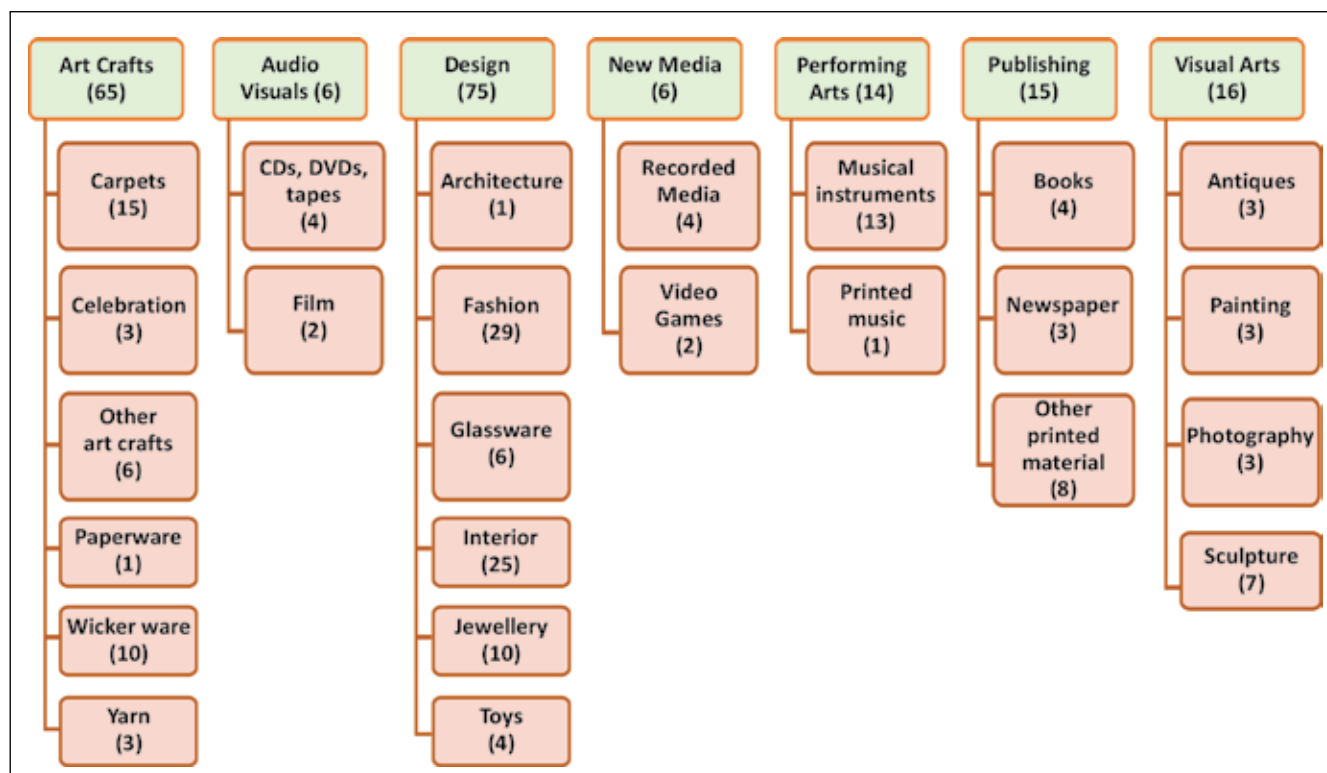
Source: UNCTAD

⁷https://unctadstat.unctad.org/en/Classifications/DimHS2007Products_Creatives_Hierarchy.pdf

The chapter thus attempts to study the exports of creative goods overall as well its segments, for both world and India.

An attempt is also made to assess India's export competitiveness in various segments of creative goods, apart from briefly touching upon India's trade in creative services⁸.

Exhibit 1: Segments of Creative Goods (Number of HS Codes at 6-digit)



Source: UNCTAD; India Exim Bank Research

1. TRADE IN CREATIVE GOODS

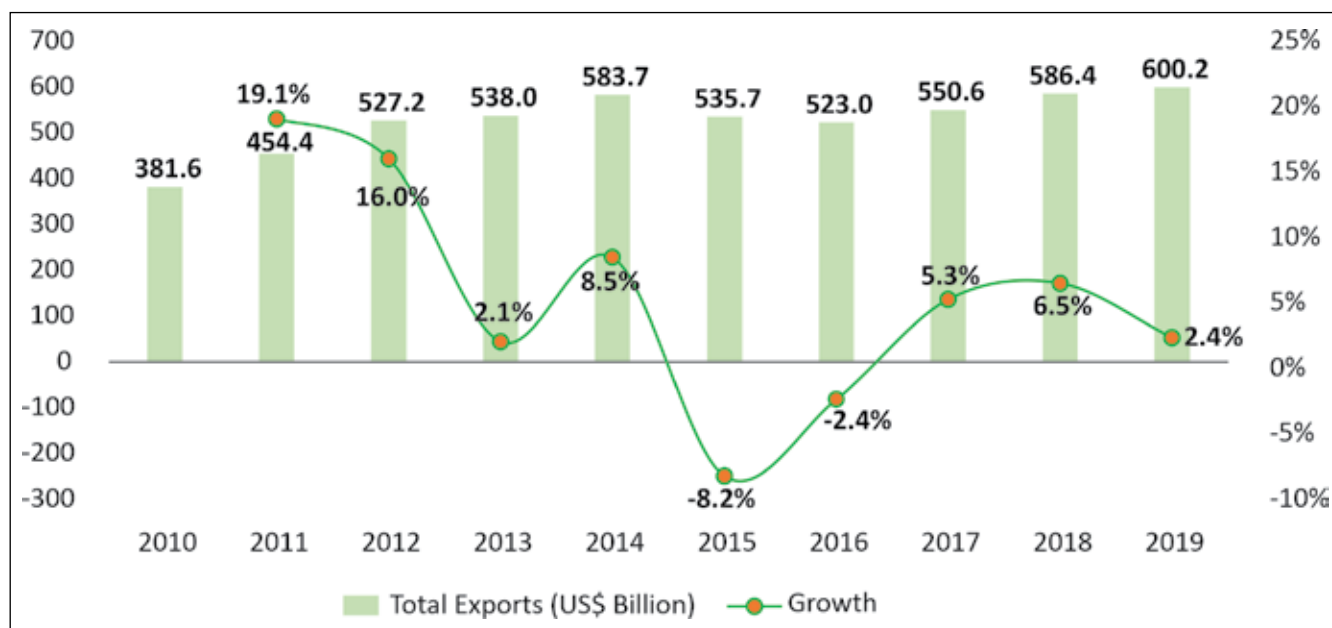
Overall Trade in Creative Goods

Global Exports

In the last decade, the total global exports of creative goods grew from US\$ 381.6 billion in 2010 to US\$ 600.2 billion in 2019 – a 1.6 times increase in 10 years, which is equivalent to a 5.5% average annual growth rate (AAGR). This was almost double than the AAGR registered by the overall global exports during the same period, which stood at 2.8%. As a result, the share of creative goods exports in the total global exports during this period increased from 2.5% in 2010 to 3.2% in 2019.

⁸ UNCTAD has considered total 5 services segments: Charges for the use of intellectual property n.i.e.; Computer services; Information services; Research and development services; and; Audio visual and related services. This Study analyses these segments briefly, as they cannot be compared to other nations since other countries might not have the same nomenclature. While India is not a part of the developed countries discussed by the UNCTAD report for the services segment, the report in its profile on India lists down a few services which can be assessed to measure the trade of creative services from India. Hence, India's creative services can be evaluated in isolation.

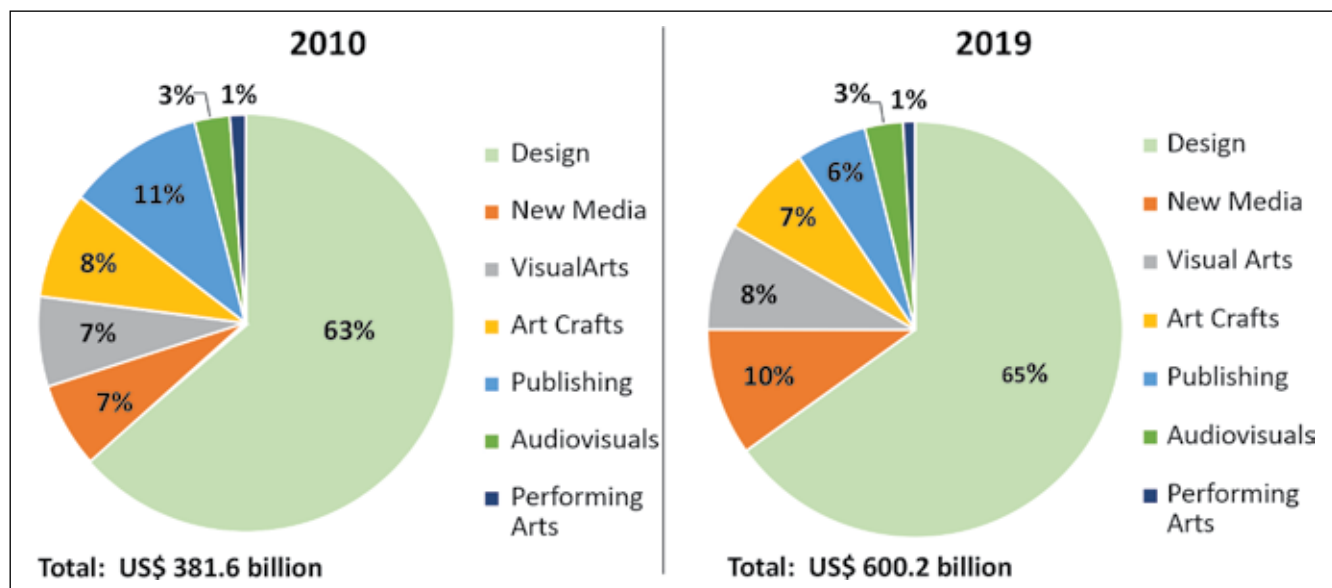
Figure 4: Global Exports of Creative Goods



Source: ITC Trade Map; India Exim Bank Research

It may be noted that within the total exports of creative goods from the world in 2019, the highest contribution was from 'design' at over 65%. This was followed by 'new media' at almost 10% and 'visual arts' at over 8%. A comparison to a decade ago shows that the biggest gainer was new media segment which observed an increase of 3.3% share in 2019 vis-à-vis 2010. The highest decline was seen for publishing, which lost its share by over 5% in the last 10 years.

Figure 5: Segment Wise Global Exports of Creative Goods



Source: ITC Trade Map; India Exim Bank Research

Some of the major global companies in select categories of creative goods are:

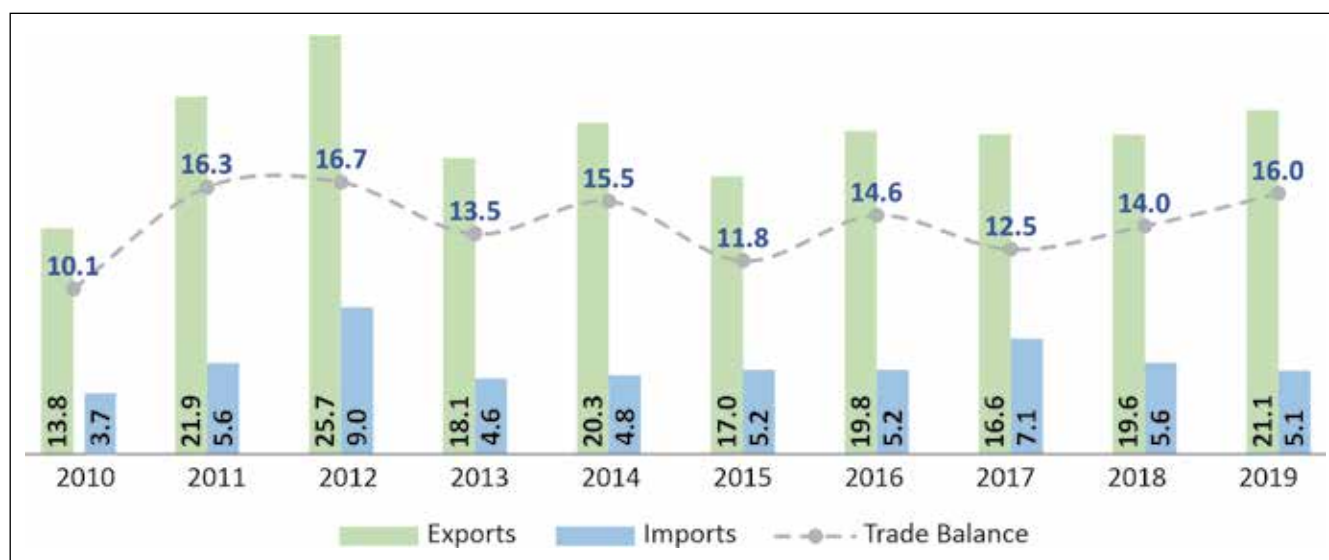
- **Art Crafts:** Hyosung TNC (South Korea), Mohawk Industries (USA), National Christmas Products Inc (USA), Yashen Arts and Crafts Co. Ltd. (China), Desser & Co. Ltd. (UK)
- **Audiovisuals:** CMC Magnetics (Taiwan), Ritek Corporation (Taiwan), Sony Corporation (Japan), BenQ (Taiwan), Philips (Netherlands)
- **Design:** Tiffany & Co (USA), Longchamp (France), Zhejiang Crescent holding Group (China), Cartier (France), Noritake (Japan)
- **New Media:** Seagate Technology (USA), Nintendo (Japan), Sony (Korea), Sega (USA), Transcend Information, Inc. (Taiwan).
- **Performing Arts:** Yamaha Corporation (Japan), Casio (Japan), Parsons Music Group (Hong Kong), Eastwood Guitars (Canada), Stentor Music Company Ltd. (UK)
- **Publishing:** Penguin Random House (UK), HarperCollins Publishers LLC (USA), USA Today (USA), The Guardian (UK)

India's Trade

While the world exports of creative goods recorded an AAGR of 5.5% during 2010 to 2019, India's exports of creative goods grew faster, during this period. The exports of creative goods from India increased from US\$ 13.8 billion in 2010 to US\$ 21.1 billion in 2019 – 1.5 times increase and an AAGR of 7.2%.

With respect to India's imports of creative goods, it grew faster than the exports and recorded an AAGR of 9%, during the same period. However, India had a surplus of US\$ 16 billion in the trade of creative goods in 2019.

Figure 6: India's Trade in Creative Goods (US\$ Billion)

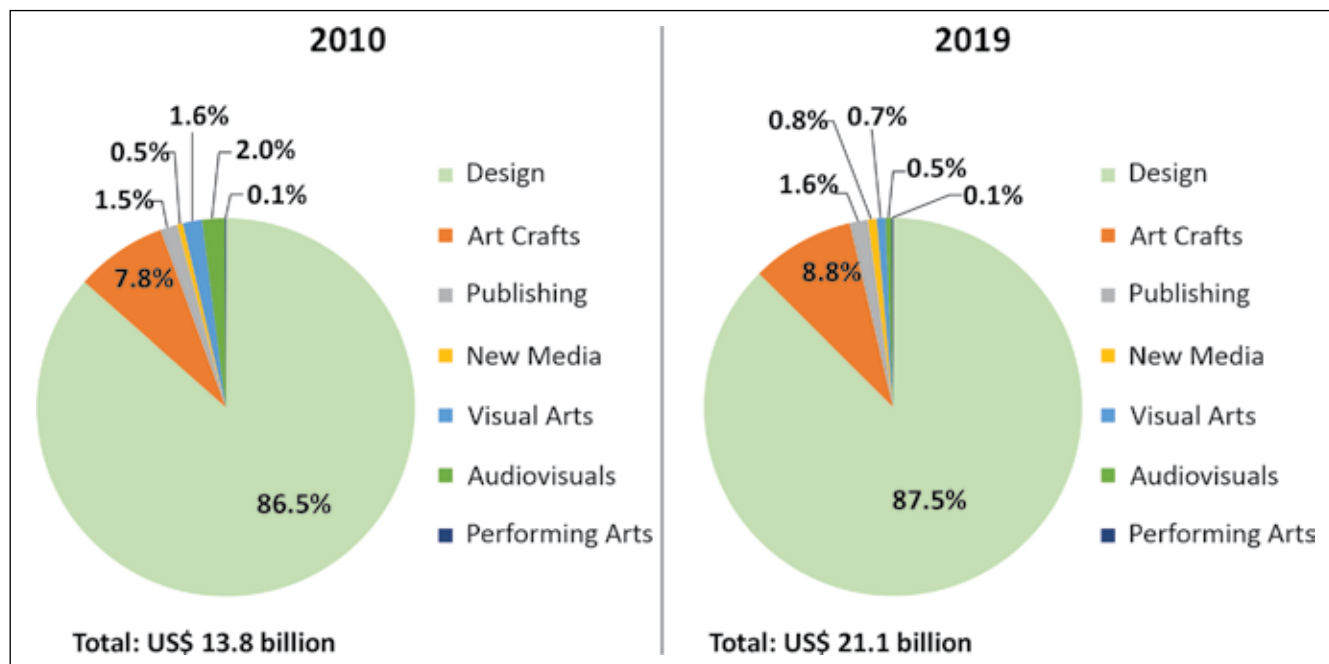


Source: ITC Trade Map; India Exim Bank Research

On similar lines of global exports, design segment contributed the most to India's creative goods exports;

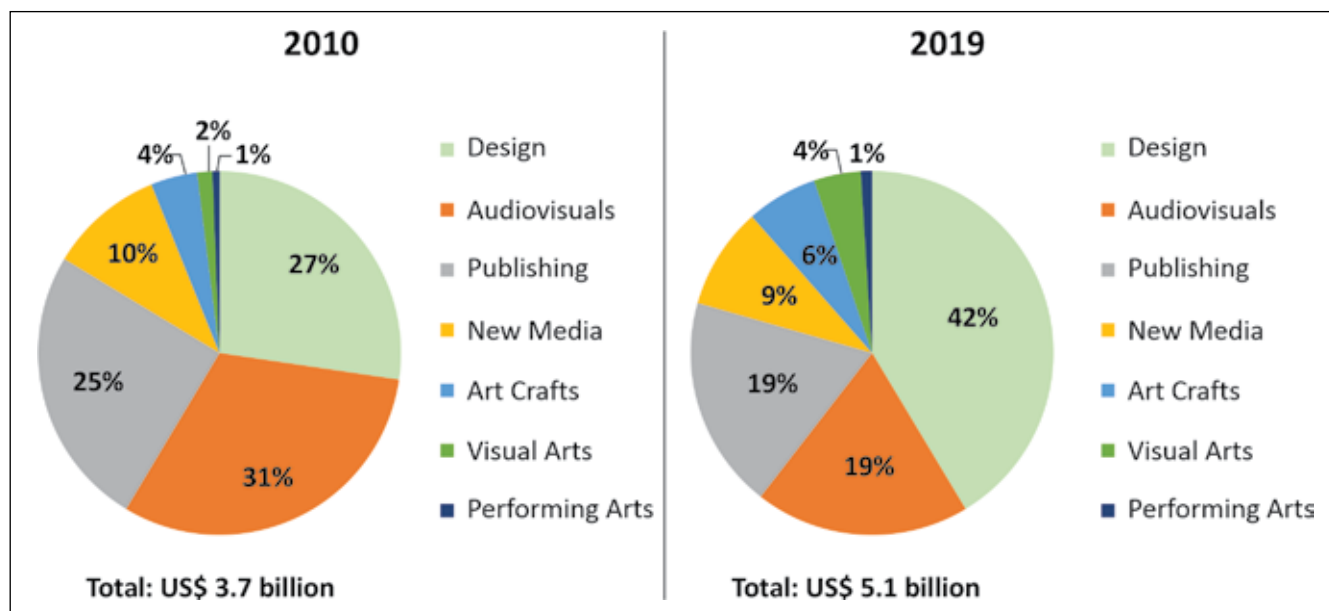
however, the contribution is even bigger for India vis-à-vis the world. In India, the contribution of design segment was 87.5% of the total creative goods exports in 2019. Almost 9% was contributed by art crafts segment. The segments of 'visual arts' and 'audiovisuals' witnessed a decline of 0.9% (from 1.6% in 2010 to 0.7% in 2019) and 1.5% (from 2% in 2010 to 0.5% in 2019), respectively, in their shares of creative goods exports from India.

Figure 7: Segment Wise Exports of Creative Goods from India



Source: ITC Trade Map; India Exim Bank Research

Figure 8: Segment Wise Imports of Creative Goods from India



Source: ITC Trade Map; India Exim Bank Research

Like the creative goods exports from India, in the case of imports too, the highest share is of design segment

at 41.4% in 2019, which gained a share of almost 14% over its share in 2010 (27.3%). The design segment was followed by audiovisuals and publishing with shares of 19.1% and 18.9%, respectively. The audiovisuals, on the other hand, witnessed a double-digit decline in its share in 2019 over 2010.

Some of the major India companies in select categories of creative goods are:

- **Art Crafts:** Vikram Carpets, Vardhman Textiles Ltd., Trident Group, Jaipur Rugs, Fabindia
- **Audiovisuals:** Amkette, Riyan Optical Discs Pvt. Ltd.
- **Design:** Titan Company, Kalyan Group, Godrej Interio, Nilkamal Furniture, Hidesign
- **Performing Arts:** Harmony Musical Instruments, Bigfoot Guitars, Tribal Earth Sounds, Furtados Music, Bina Musical Stores
- **Publishing:** Jaico Publishing House, Aleph Book Company, DB Corp Ltd., Roli Books, Indian Express Group

Segment-wise Trade in Creative Goods

a. Art Crafts

As per the classification given by UNCTAD through HS codes, art crafts segment includes 65 items at HS 6-digit level. These 65 HS items are further divided into various sub-segments such as carpets (15 items), celebration⁹(3), other art crafts¹⁰ (6), paperware (1), wicker ware¹¹ (10), and yarn (30).

Global Trade

The global exports of art crafts were recorded at US\$ 44.1 billion in 2019, up from US\$ 31.8 billion in 2010, thereby recording an AAGR of 3.9%, a lower AAGR than the overall creative goods industry.

The top ten exported items at HS 6-digit level under the art crafts segment contributed to over 72% of the total exports of art crafts in 2019. The top exported item from art crafts segment was HS 600410¹² with a share of almost 17% in 2019. This was followed by HS 950510¹³ with a share of 14.2% in 2019. With respect to the highest AAGR within the top ten items, HS 670290¹⁴ registered the highest AAGR of 13.4% in its exports during 2010 to 2019. Only one item (HS 581092¹⁵) within the top ten items of art crafts registered a negative AAGR.

⁹ Things such as festival articles

¹⁰ Artificial flowers, wood marquetry, glass eyes, worked ivory etc.

¹¹ Wicker is a technique for making products woven from any one of a variety of pliable plant materials, a generic name for the materials used in such manufacture

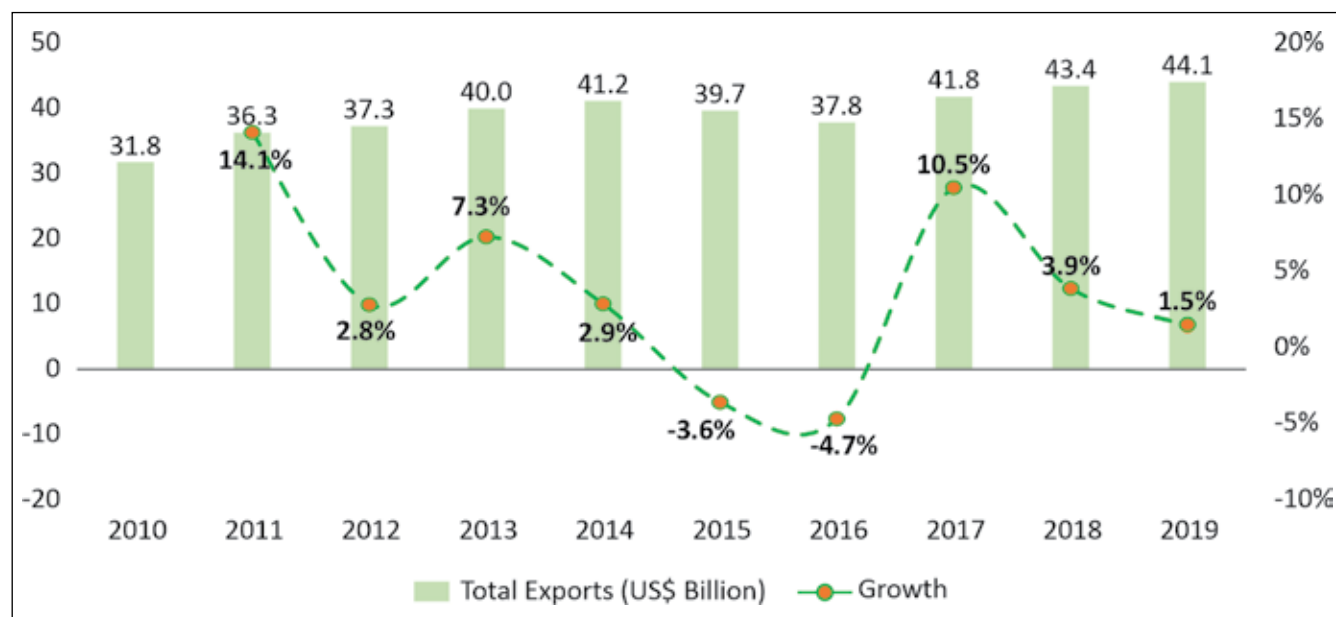
¹² Knitted or crocheted fabrics, of a width of > 30 cm, containing >= 5% by weight elastomeric yarn

¹³ Christmas articles (excluding candles and electric lighting sets, natural Christmas trees and Christmas trees stands)

¹⁴ Artificial flowers, foliage and fruit and parts thereof, and articles made of artificial flowers, foliage, or fruit, by binding, glueing, fitting into one another or similar methods (excluding of plastics)

¹⁵ Embroidery of man-made fibres on a textile fabric base, in the piece, in strips or in motifs

Figure 9: Global Exports of Art Crafts



Source: ITC Trade Map; India Exim Bank Research

Table 5: Top Ten Items of Art Crafts Exported by World at HS 6-digit (US\$ Million)

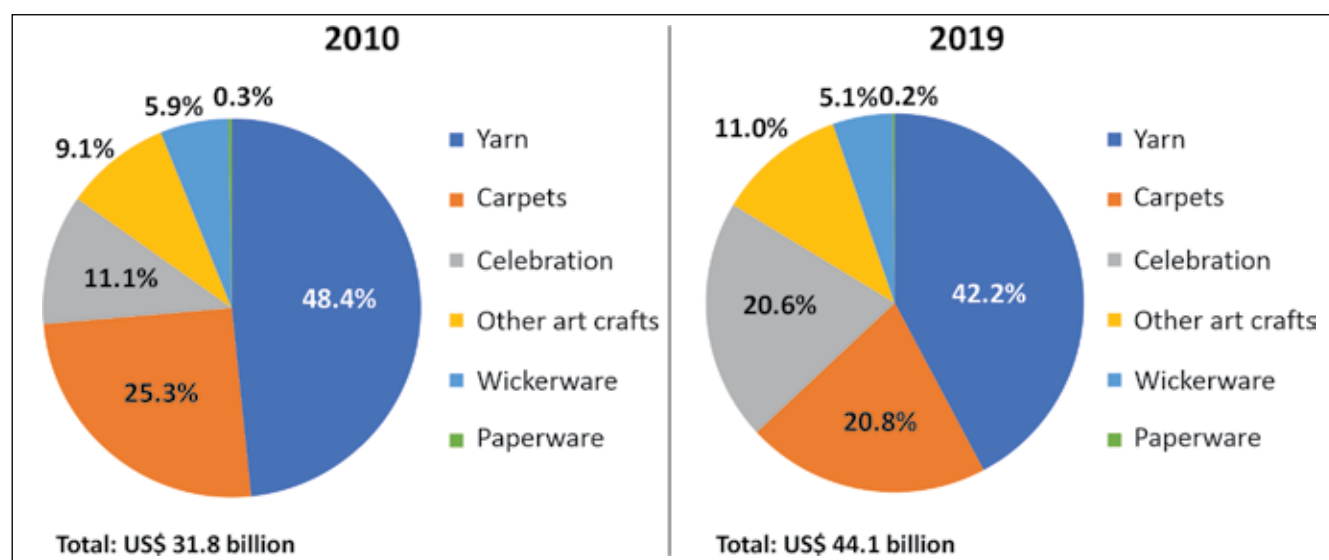
HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
600410	Knitted or crocheted fabrics, of a width of > 30 cm, containing >= 5% by weight elastomeric yarn	Yarn	5654.9	7458.9	17.8%	16.9%	3.3%
950510	Christmas articles (excluding candles and electric lighting sets, natural Christmas trees and Christmas tree stands)	Celebration	2522.8	6269.7	7.9%	14.2%	11.6%
570330	Carpets and other floor coverings, of man-made textile materials, tufted "needle punched", whether or not made up	Carpets	2299.7	3371.8	7.2%	7.7%	4.5%
570242	Carpets and other floor coverings, of man-made textile materials, woven, not tufted or flocked, of pile construction, made up	Carpets	1819.5	2894.6	5.7%	6.6%	5.8%
950590	Festival, carnival or other entertainment articles, incl. conjuring tricks and novelty jokes, n.e.s.	Celebration	966.0	2693.5	3.0%	6.1%	12.5%
670290	Artificial flowers, foliage and fruit and parts thereof, and articles made of artificial flowers, foliage or fruit, by binding, glueing, fitting into one another or similar methods (excluding of plastics)	Other art crafts	906.0	2487.8	2.9%	5.6%	13.4%
580632	Narrow woven fabrics of man-made fibres, with a width of <= 30 cm, n.e.s.	Yarn	1700.7	2267.7	5.4%	5.1%	3.4%

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
630232	Bedlinen of man-made fibres (excluding printed, knitted or crocheted)	Yarn	1343.9	1878.1	4.2%	4.3%	4.3%
581092	Embroidery of man-made fibres on a textile fabric base, in the piece, in strips or in motifs	Yarn	1419.4	1274.7	4.5%	2.9%	-1.0%
460219	Basketwork, wickerwork and other articles, made directly to shape from vegetable plaiting materials	Wicker ware	902.9	1171.2	2.8%	2.7%	3.1%
Top 10			19535.8	31768.0	61.5%	72.1%	5.8%
Total			31772.4	44066.5	100.0%	100.0%	3.9%

Source: ITC Trade Map; India Exim Bank Research

Further, a sub-segment-wise analysis shows that the share of yarn within the art crafts industry was recorded at 42.2% in 2019¹⁶, a decline of over 6% from 2010. The second largest sub-segment of carpets with a share of over 20%, also recorded a decline of over 4% in 2019 over 2010. The 'celebration' sub-segment however gained 9.5% share in 2019 over 2010.

Figure 10: Share of Sub-Segments in Global Art Crafts Exports

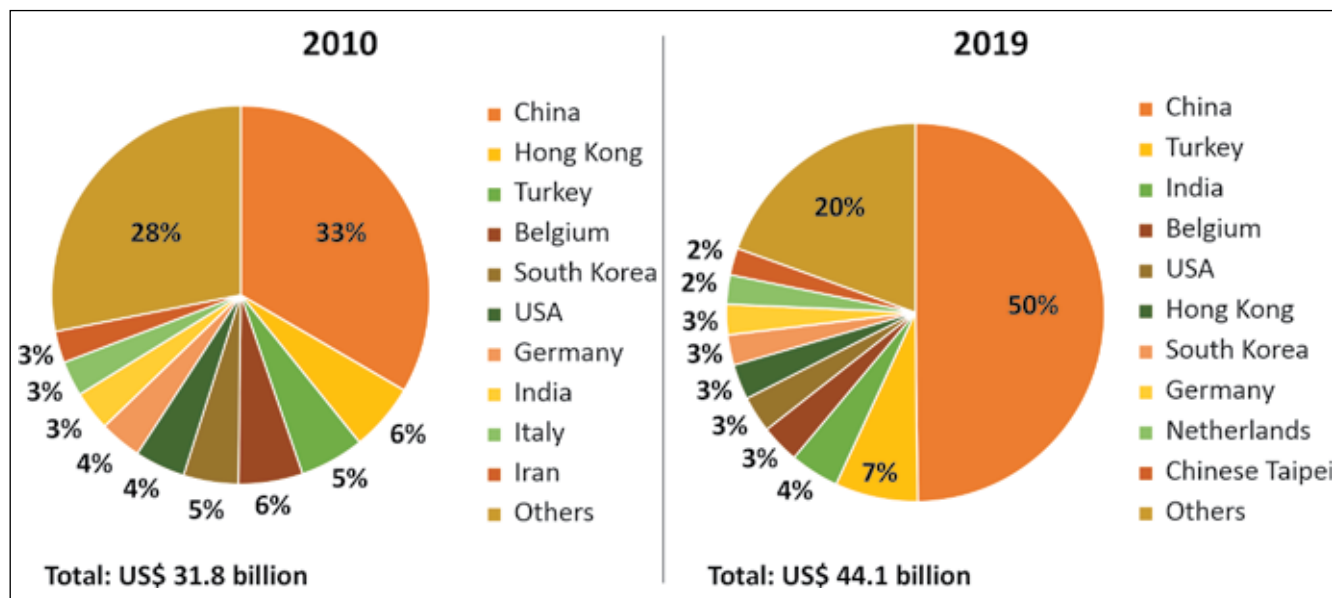


Source: ITC Trade Map; India Exim Bank Research

In 2019, the top ten exporting countries accounted for 80.5% of the total exports under this segment, with China completely dominating the exports with a share of almost 50%. It may be noted that the top ten exporters contributed 71.9% in 2010, showing that the concentration has increased in 2019 over 2010. A massive 16% jump is observed in the share of China during the last decade. With respect to the major importers, the USA was the largest importer in 2019, accounting for almost one-fourth of the art crafts imports.

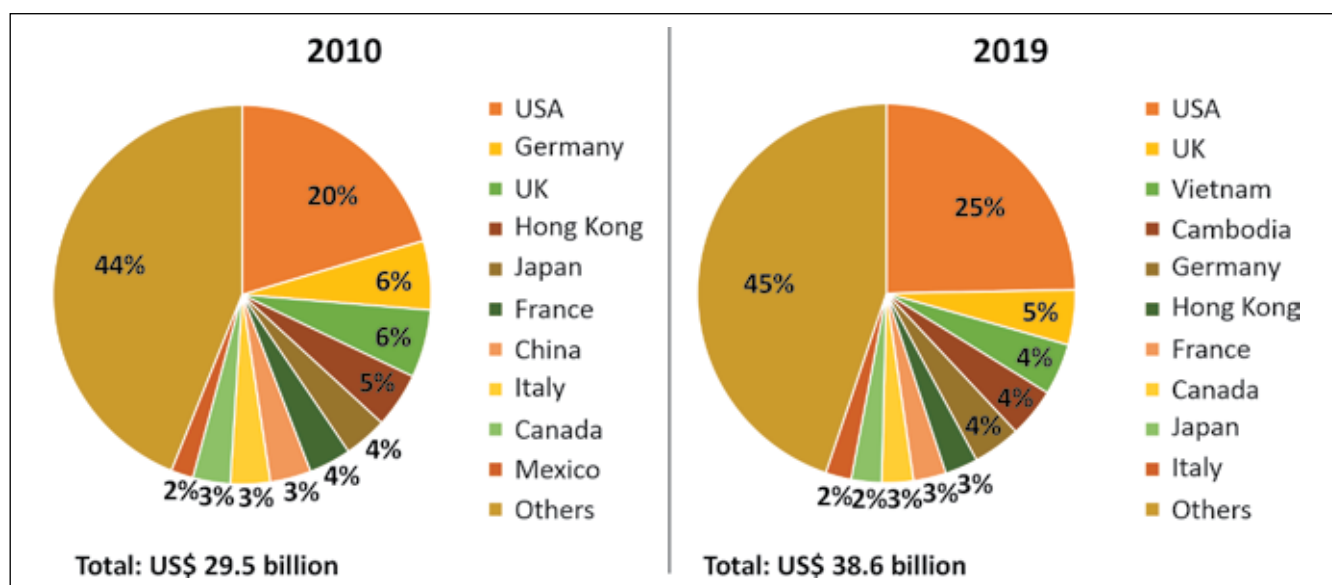
¹⁶ The sub-segment of Yarn under Art Crafts segment includes 30 HS 6-digit items. This is the collective share of these 30 items.

Figure 11: Major Global Exporters of Art Crafts



Source: ITC Trade Map; India Exim Bank Research

Figure 12: Major Global Importers of Art Crafts

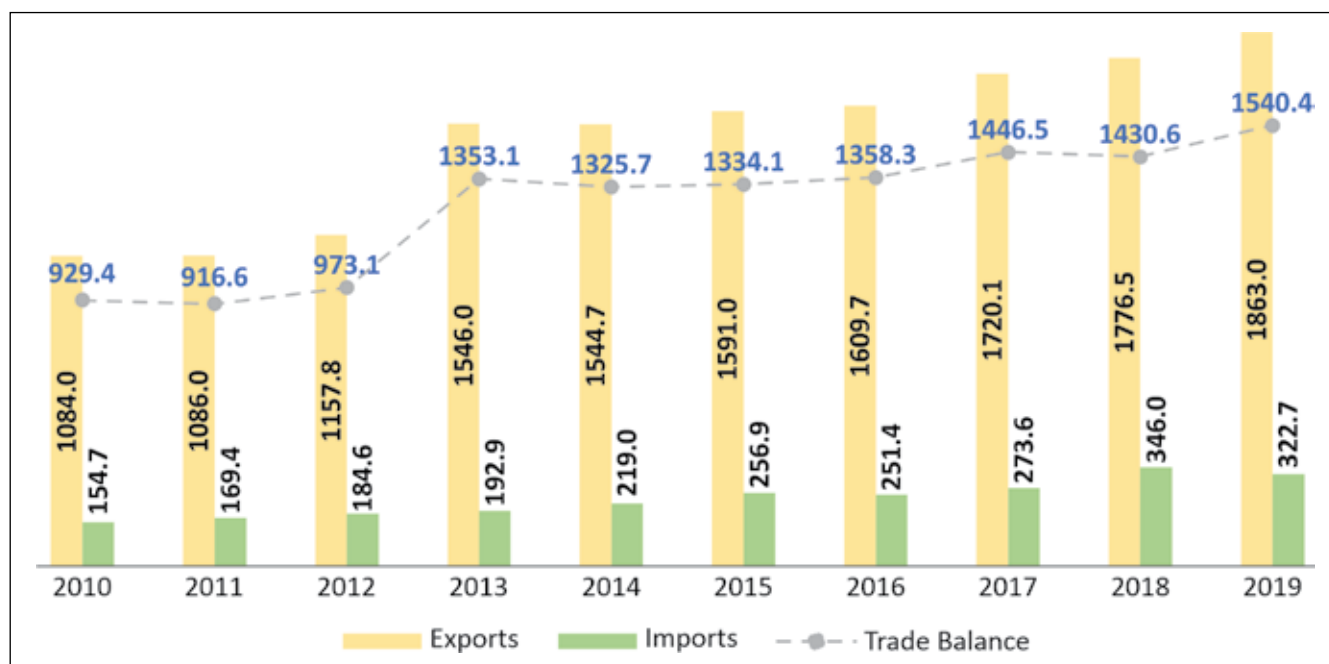


Source: ITC Trade Map; India Exim Bank Research

India

The exports of art crafts segment from India increased from US\$ 1084 million in 2010 to US\$ 1863 million in 2019. During the same time, the imports grew from US\$ 154.7 million in 2010 to US\$ 322.7 million in 2019. As a result, India's trade balance increased from US\$ 929.4 million in 2010 to US\$ 1540.4 million in 2019. While the exports registered an AAGR of 6.6%, the imports grew at an average rate of 8.9%, during the abovementioned period. It may be noted that India's share in the global art crafts exports increased from 3.4% in 2010 to 4.2% in 2019.

Figure 13: India's Trade in Art Crafts (US\$ Million)



Source: ITC Trade Map; India Exim Bank Research

With respect to the major items exported by India under the art crafts segment at HS 6-digit level, it is noted that the top ten items contributed to 60.6% of the India's art crafts exports in 2019. The top item exported under this category, in 2019, was HS 570110¹⁷ with a share of 9.8%. However, interestingly, its share was almost 34% in 2010 and therefore, it recorded an AAGR of -5.6% during 2010 to 2019. The largest export destination for this item in 2019 was USA with a share of almost 64%.

As compared to the exports, the imports of India's art crafts in 2019 were significantly concentrated. The top ten imported items contributed to more than three-fourths of the total imports. There was only one item (HS 960200¹⁸) amongst the top ten which recorded a negative AAGR, during 2010 to 2019.

Table 6: Top Ten Items of Art Crafts Exported by India at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
570110	Carpets and other textile floor coverings, of wool or fine animal hair, knotted, whether or not made up	Carpets	367.3	181.9	33.9%	9.8%	-5.6%
570231	Carpets and other floor coverings, of wool or fine animal hair, woven, not tufted or flocked, of pile construction, not made up	Carpets	88.6	152.3	8.2%	8.2%	7.2%

¹⁷ Carpets and other textile floor coverings, of wool or fine animal hair, knotted, whether or not made up

¹⁸ Worked vegetable or mineral carving material and articles of these materials n.e.s

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
570330	Carpets and other floor coverings, of man-made textile materials, tufted "needle punched", whether or not made up	Carpets	21.4	142.3	2.0%	7.6%	36.3%
570190	Carpets and other textile floor coverings, of textile materials, knotted, whether or not made up	Carpets	81.7	130.9	7.5%	7.0%	8.4%
600410	Knitted or crocheted fabrics, of a width of > 30 cm, containing >= 5% by weight elastomeric yarn	Yarn	4.4	113.5	0.4%	6.1%	44.9%
570232	Carpets and other floor coverings, of man-made textile materials, woven, not tufted or flocked, of pile construction, not made up	Carpets	24.8	97.4	2.3%	5.2%	17.4%
960200	Worked vegetable or mineral carving material and articles of these materials n.e.s	Other art crafts	45.2	92.2	4.2%	4.9%	9.2%
581010	Embroidery on a textile fabric ground without visible ground, in the piece, in strips or in motifs	Yarn	1.8	82.9	0.2%	4.5%	105.6%
950510	Christmas articles (excluding candles and electric lighting sets, natural Christmas trees and Christmas tree stands)	Celebration	9.8	73.6	0.9%	3.9%	26.2%
630240	Table linen, knitted or crocheted	Yarn	5.1	62.4	0.5%	3.4%	37.9%
Top 10			650.1	1129.6	60.0%	60.6%	6.9%
Total			1084.0	1863.0	100.0%	100.0%	6.6%

Source: ITC Trade Map; India Exim Bank Research

Table 7: Top Ten items of Art Crafts Imported by India at HS 6-digit (US\$ Million)

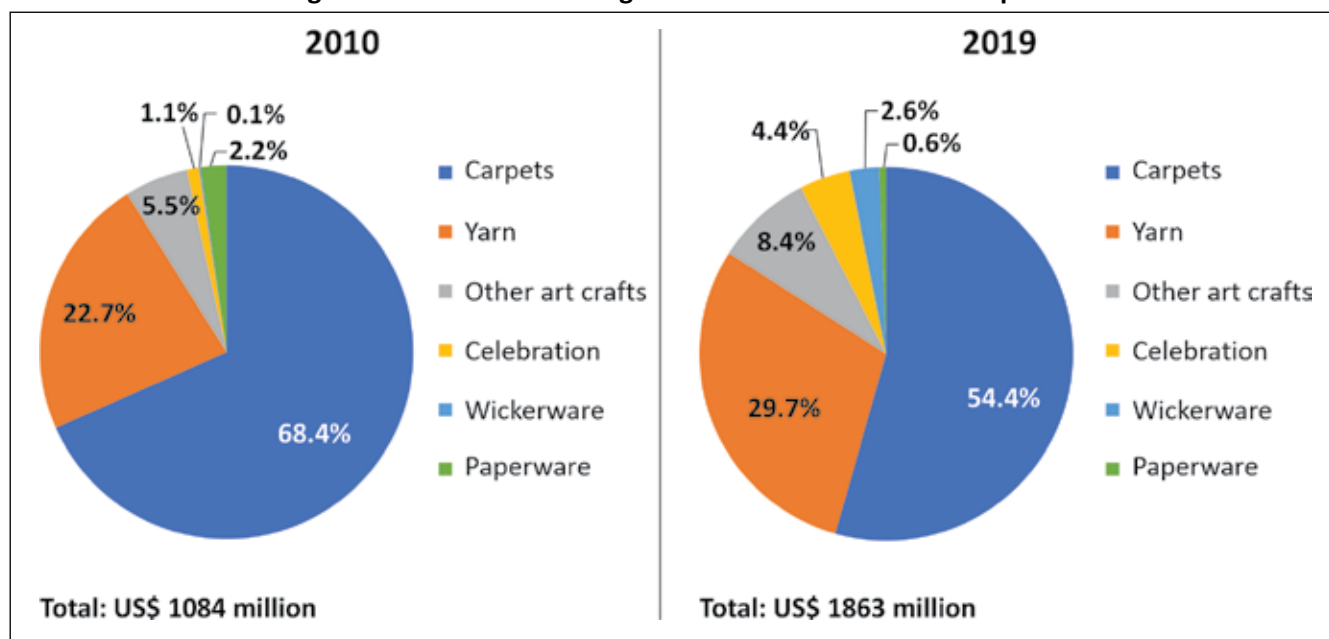
HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
600410	Knitted or crocheted fabrics, of a width of > 30 cm, containing >= 5% by weight elastomeric yarn	Yarn	0.9	50.4	0.6%	15.6%	112.4%
570330	Carpets and other floor coverings, of man-made textile materials, tufted "needle punched", whether or not made up	Carpets	10.9	42.3	7.1%	13.1%	17.5%
580620	Narrow woven fabrics of textile materials, containing >= 5% elastomeric yarn or rubber thread by weight, with a width of <= 30 cm	Yarn	11.5	35.7	7.5%	11.1%	15.1%
580632	Narrow woven fabrics of man-made fibres, with a width of <= 30 cm, n.e.s.	Yarn	16.0	29.3	10.4%	9.1%	8.2%
580890	Ornamental trimmings of textile materials, in the piece, not embroidered, other than knitted or crocheted; tassels, pompons and similar articles of textile materials (excluding braids in the piece)	Yarn	10.3	21.0	6.7%	6.5%	8.9%
960200	Worked vegetable or mineral carving material and articles of these materials n.e.s	Other art crafts	29.6	16.6	19.1%	5.1%	-4.6%
950590	Festival, carnival or other entertainment articles, incl. conjuring tricks and novelty jokes, n.e.s.	Celebration	6.5	13.4	4.2%	4.1%	11.3%
580639	Narrow woven fabrics of textile materials other than cotton or man-made fibres, with a width of <= 30 cm, n.e.s.	Yarn	10.0	13.4	6.4%	4.1%	3.7%
600490	Knitted or crocheted fabrics, of a width of > 30 cm, containing >= 5% by weight elastomeric yarn and rubber thread or rubber thread only	Yarn	6.3	12.4	4.1%	3.8%	35.3%
670290	Artificial flowers, foliage and fruit and parts thereof, and articles made of artificial flowers, foliage or fruit, by binding, glueing, fitting into one another or similar methods (excluding of plastics)	Other art crafts	3.0	11.8	1.9%	3.7%	18.0%
Top 10			105.0	246.2	67.9%	76.3%	10.6%
Total			154.7	322.7	100.0%	100.0%	8.9%

Source: ITC Trade Map; India Exim Bank Research

A sub-segment analysis for India's trade shows that carpets was the largest exported sub-segment under art crafts by India in 2019 with a share of 54.4%. However, its share reduced by 14% in 2019 over 2010. The share of paperware also reduced from 2.2% in 2010 to 0.6% in 2019.

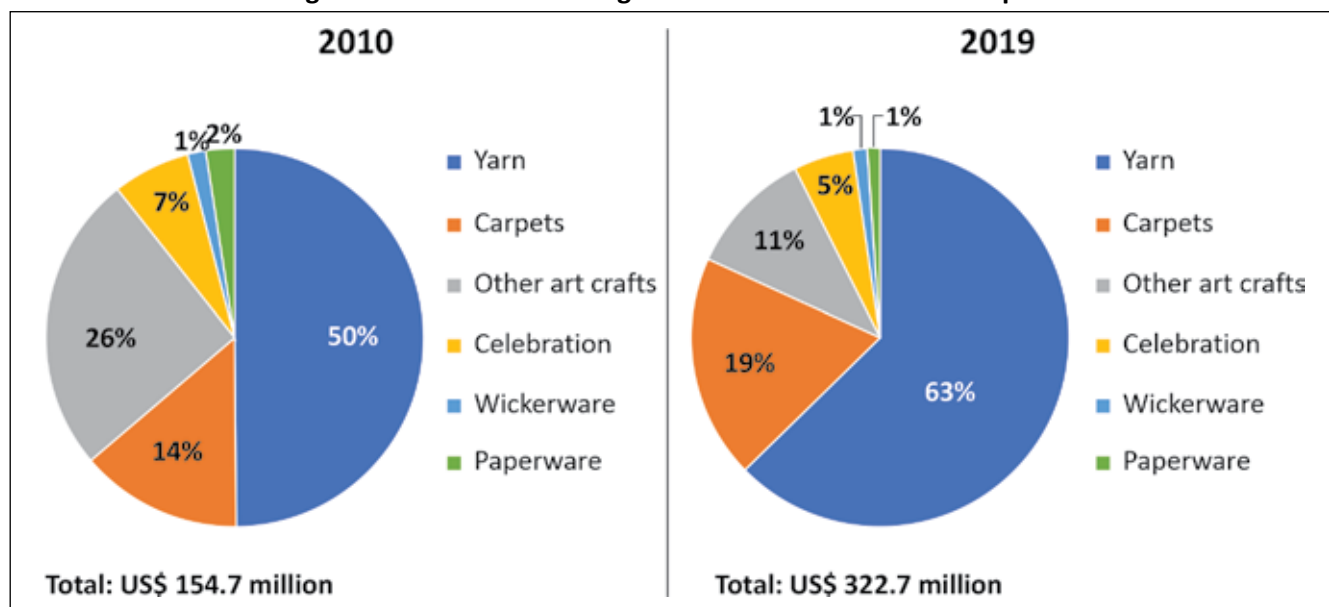
With respect to the imports, yarn was the largest imported sub-segment by India in 2019 with a share of almost 63% in 2019. Yarn¹⁹ gained a share of almost 13% in 2019 over 2010.

Figure 14: Share of Sub-Segments in India's Art Crafts Exports



Source: ITC Trade Map; India Exim Bank Research

Figure 15: Share of Sub-Segments in India's Art Crafts Imports

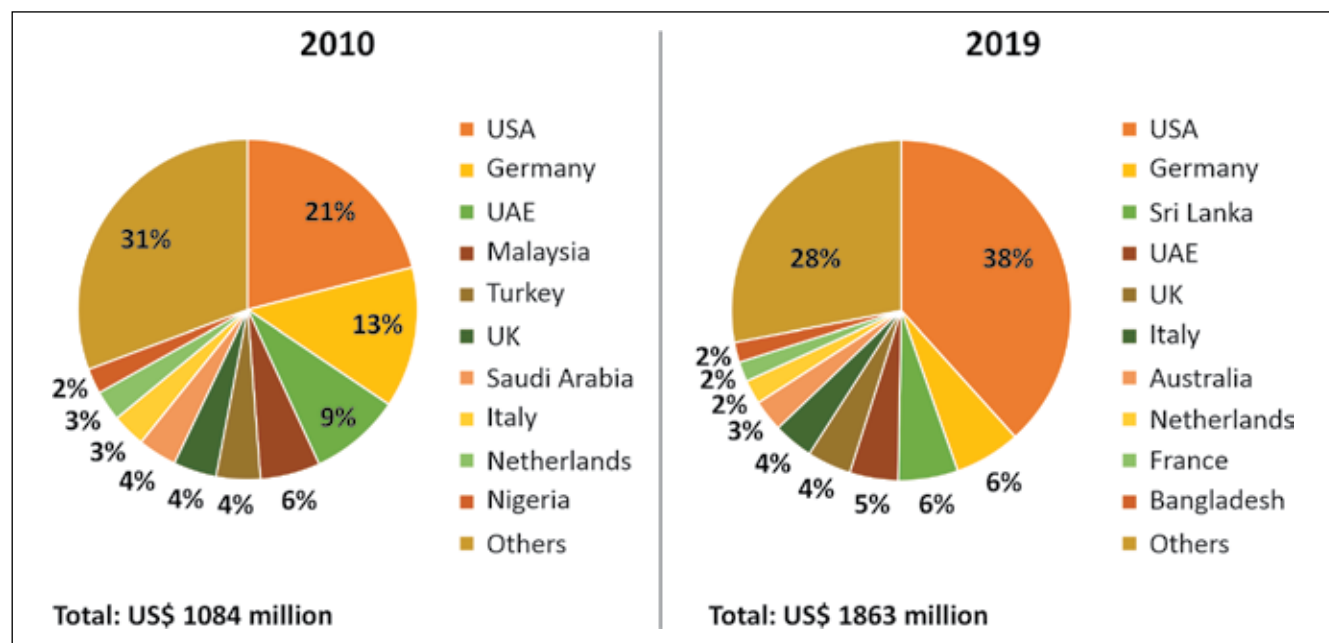


Source: ITC Trade Map; India Exim Bank Research

¹⁹The sub-segment of Yarn under Art Crafts segment includes 30 HS 6-digit items. This is the collective share of these 30 items.

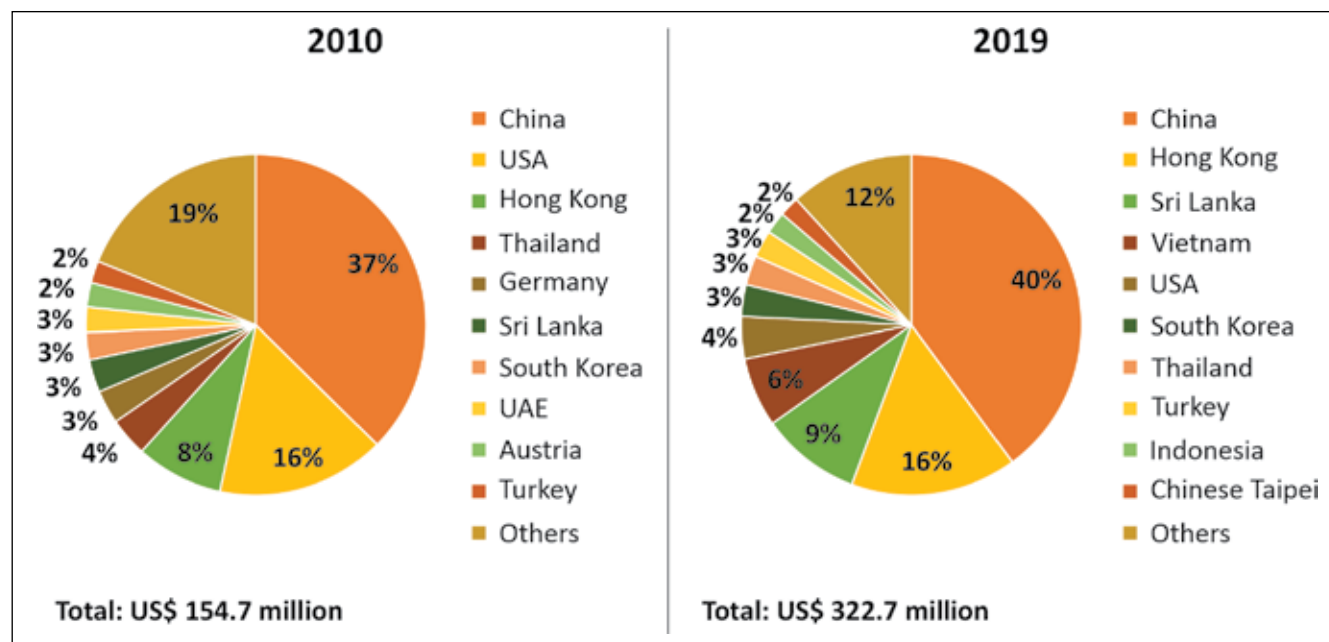
The major exporting destinations for art crafts exports from India in 2019 were USA (38.3%), Germany (6.3%), Sri Lanka (5.7%), UAE (4.6%), and UK (4.2%). While the top ten exporting destinations accounted for 72% of the exports in 2019, the share was 69.3% in 2010, thereby reflecting a marginal increase in the concentration. However, the concentration can be observed more significantly with the top five exporting destinations which accounted for 59.1% of the exports in 2019, as compared to 53% in 2010, majorly due to a 17% increase in the share of exports to the USA.

Figure 16: Major Export Destinations of Art Crafts from India



Source: ITC Trade Map; India Exim Bank Research

Figure 17: Major Import Sources of Art Crafts for India



Source: ITC Trade Map; India Exim Bank Research

With respect to the import sources, it may be noted that the concentration increased significantly in 2019 with the top ten sources contributing to 88.2% of imports vis-à-vis 81.1% in 2010. China was the top import source for India with a share of almost 40% in 2019. Another 16% was contributed by Hong Kong. In the top import sources of 2019, Vietnam, with a share of 6.6% was a new entrant, when compared to 2010.

India's Export Competitiveness in Art Crafts

This section undertakes an analysis with the objective of identifying items under art crafts segment, where domestic capacities can be strengthened.

The analysis is made through revealed comparative indices which are used to identify categories of exports, in which an economy has a comparative advantage by way of comparison of the country's trade scenario with the world scenario. The basic assumption underlying the concept of revealed comparative advantage is that trade profile reflects the inter-country differences in terms of relative costs as well as non-price aspects. As per Balassa's (1965) measure, index for country *i*, commodity *j* is,

$$RCA_{ij} = (x_{ij}/X_{it}) / (x_{wj}/X_{wt})$$

Where,

x_{ij} : exports of commodity *j* from country '*i*'

X_{it} : total exports from country '*i*'

x_{wj} : exports of commodity '*j*' from world

X_{wt} : total exports from world

The RCA index ranges from 0 to infinity, with 1 as the break-even point. That is, an RCA value of less than 1 means that the product has no export comparative advantage, while a value above 1 indicates that the product has a comparative advantage.

Although, useful in examining whether a country has a comparative advantage in specific products, it has its limitations in reflecting the extent of comparative advantage. In order to overcome this limitation, the Normalized Revealed Comparative Advantage (NRCA) index is used. NRCA index reveals the extent of comparative advantage that a country has in an item more precisely and consistently than other alternative RCA indices. NRCA can be defined in the following manner:

$$NRCA_{ij} = (RCA_{ij} - 1) / (RCA_{ij} + 1)$$

NRCA ranges from -1 to 1 with 0 as the breakeven point. That is, an NRCA value of less than 0 means that the product has no export comparative advantage, while a value above 0 indicates that the product has a comparative advantage. The extent of comparative advantage/disadvantage can be gauged from the proximity of the NRCA values to the extreme data points, viz. +1 and -1.

Overall, the art crafts segment exports from India remained competitive in 2010, 2015, and 2019. Further, a few items such as HS 442090²⁰ and HS 460199²¹, were relatively less competitive in 2010 and 2015 but

²⁰ Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; wooden articles of furniture (excluding statuettes and other ornaments; furniture, lighting fixtures and parts thereof)

²¹ Plaiting materials, plaits and similar products of non-vegetable plaiting materials, flat-woven or bound together in parallel (excluding wallcoverings of heading 4814; parts of footwear or headgear)

have improved competitiveness in 2019. The detailed table is provided in annexure with colour coding where negative NRCA values are in red and positive are in green.

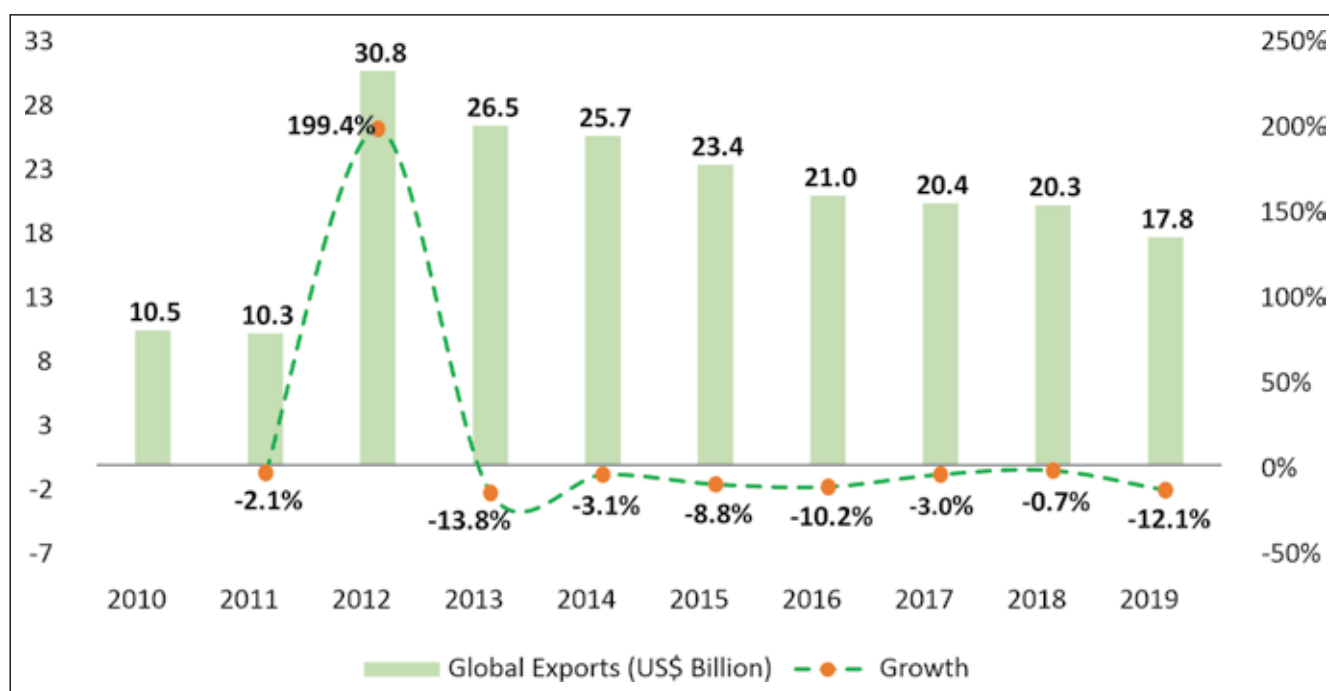
b. Audiovisuals

As per the classification given by UNCTAD through HS codes, audiovisuals segment includes six items at HS 6-digit level. These six HS commodities are divided into two sub-segments- 'CDs, DVDs, tapes' with 4 items and 'Film' with 2 items.

Global Trade

The global exports of audiovisuals were recorded at US\$ 17.8 billion in 2019, up from US\$ 10.5 billion in 2010, thereby recording an AAGR of over 16%, a significantly higher AAGR than the overall creative goods industry. The global exports of audiovisuals reached as high as US\$ 30.8 billion in 2012.

Figure 18: Global Exports of Audiovisuals



Source: ITC Trade Map; India Exim Bank Research

At HS 6-digit level, it is noticed that the top exported item in 2019 was HS 852349 (Optical media for the recording of sound or of other phenomena) and contributed to over 60% of audiovisuals exports in 2019. The second highest exported item was HS 852329 (Magnetic media for the recording of sound or of other phenomena) with a share of over 27%.

Table 8: Items of Audiovisuals Exported by World at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
852349	Optical media for the recording of sound or of other phenomena	CDs, DVDs, tapes	0.0	10805.9	0.0%	60.6%	-8.0%*
852329	Magnetic media for the recording of sound or of other phenomena	CDs, DVDs, tapes	7713.8	4887.7	73.5%	27.4%	-4.7%
852380	Media for the recording of sound or of other phenomena, whether or not recorded, incl. matrices and masters for the production of discs	CDs, DVDs, tapes	2148.2	1389.4	20.5%	7.8%	-3.9%
852341	Optical media for the recording of sound or of other phenomena, unrecorded	CDs, DVDs, tapes	0.0	728.5	0.0%	4.1%	-11.3%*
370610	Cinematographic film, exposed and developed, whether or not incorporating soundtrack or consisting only of soundtrack, width >= 35 mm	Film	624.2	4.4	5.9%	0.0%	-38.6%
370690	Cinematographic film, exposed and developed, whether or not incorporating soundtrack or consisting only of soundtrack, width < 35 mm	Film	13.3	1.3	0.1%	0.0%	-11.8%
Total			10499.5	17817.2	100.0%	100.0%	16.2%

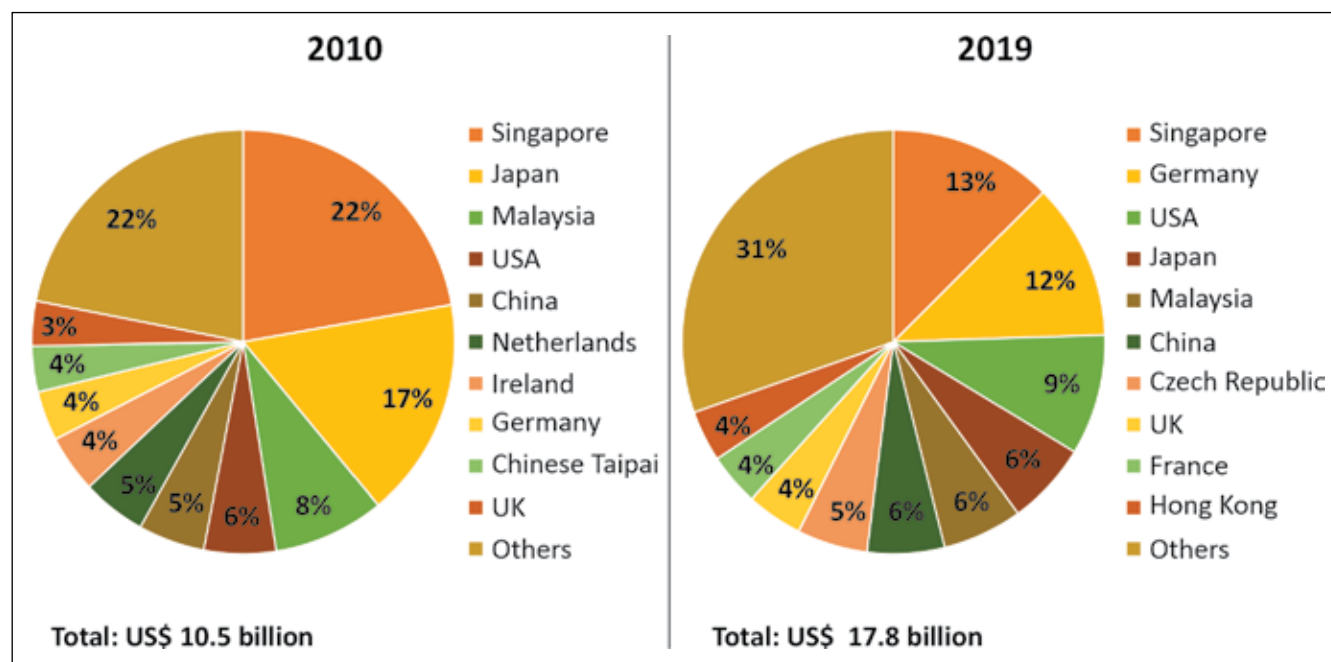
* AAGR calculated during 2012 to 2019

Source: ITC Trade Map; India Exim Bank Research

A sub-segment analysis shows that the exports of 'CDs, DVDs, tapes' have dominated the audiovisuals exports from the world. The share of this sub-segment was 93.9% in 2010 and reached 99.97% in 2019.

With respect to the major global exporters of audiovisuals, the top ten exporters in 2019 contributed to 69.6% of global audiovisuals exports. As compared to this, in 2010, the contribution of top ten exporters stood at 78.1%, signifying a decrease in the concentration in the last decade. Though Singapore remained as top exporter of audiovisuals, in both the years, there was a significant drop in global share – from 22% in 2010 to 13% in 2019.

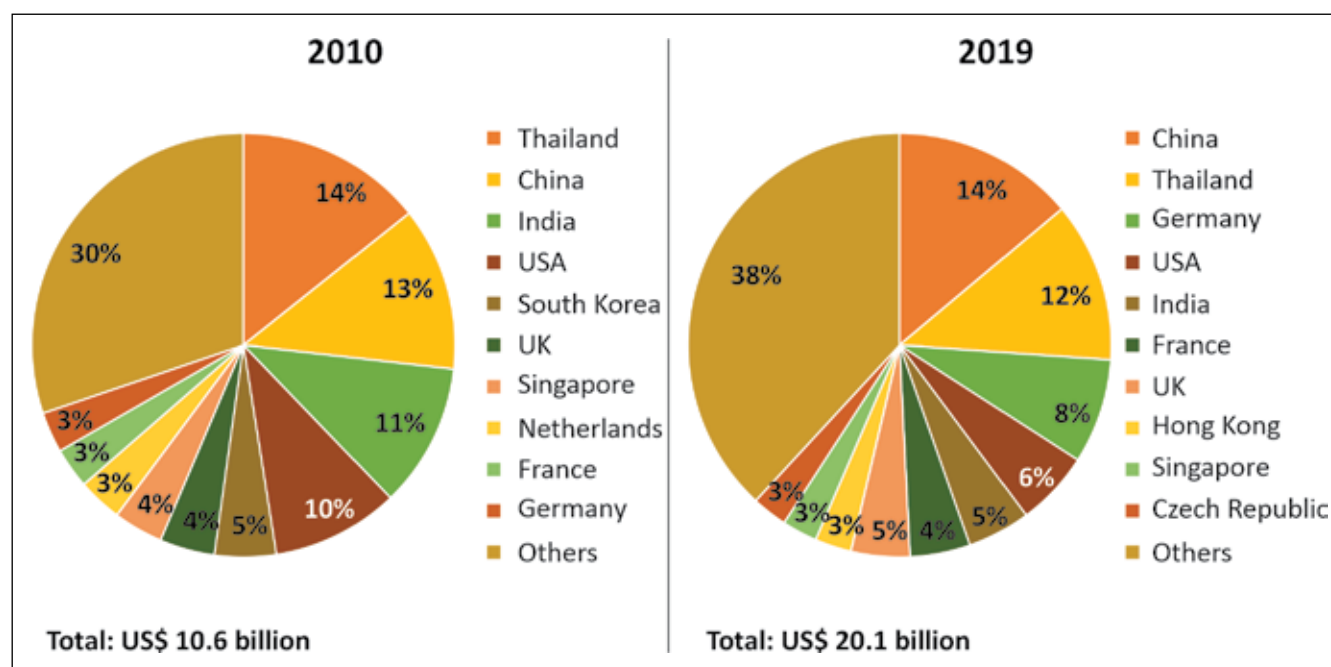
Figure 19: Major Global Exporters of Audiovisuals



Source: ITC Trade Map; India Exim Bank Research

In the case of imports, the largest global importer in 2019 was China with a share of almost 14%. Like the exports, the concentration in the imports has also decreased in the last decade with the top ten contributors in 2019 importing 61.9% of audiovisuals imports, as compared to 69.8% in 2010.

Figure 20: Major Global Importers of Audiovisuals

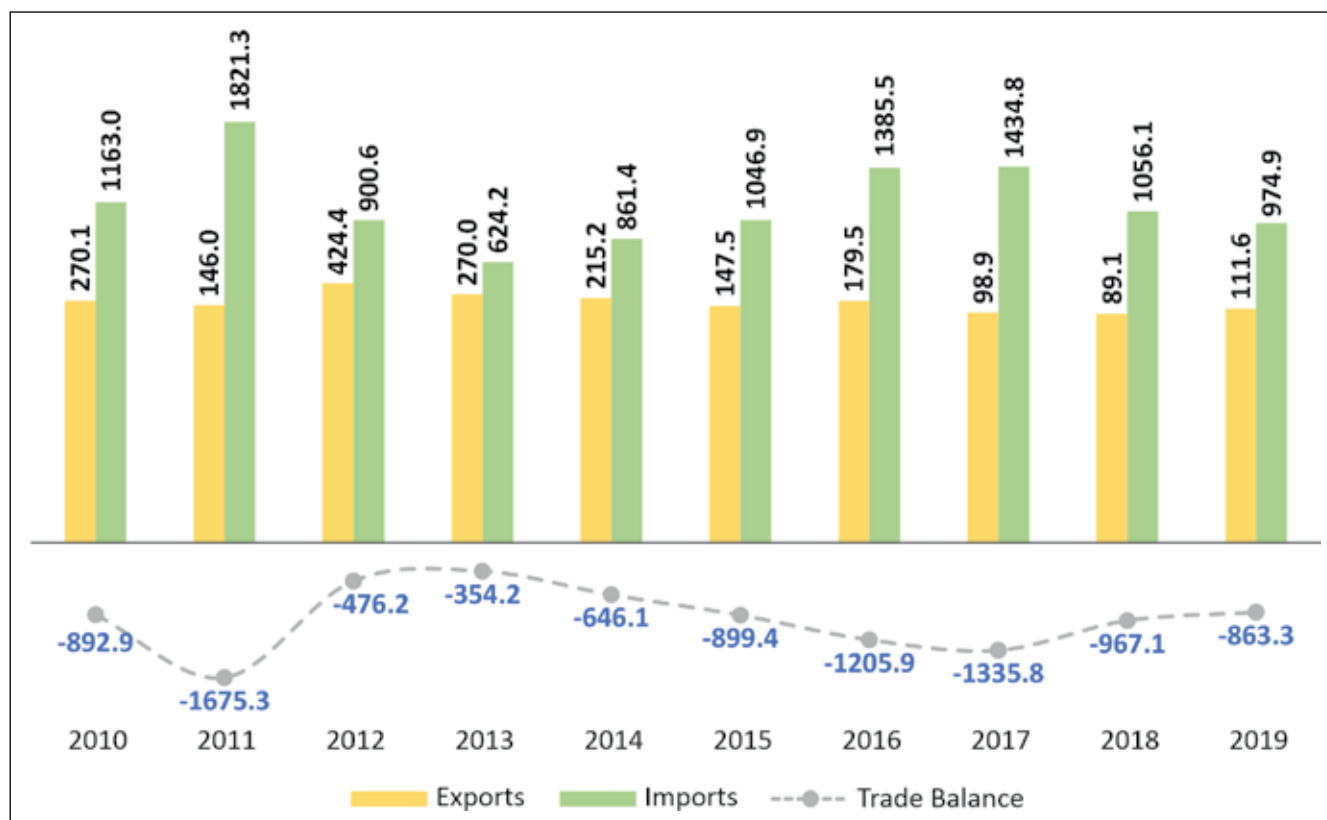


Source: ITC Trade Map; India Exim Bank Research

India

India's exports of audiovisuals were recorded at US\$ 111.6 million in 2019, down from US\$ 270 million in 2010. During the same period, the imports by India also decreased from US\$ 1163 million in 2010 to US\$ 974.9 million in 2019. However, India remains in a deficit with respect to the trade in audiovisuals. It may also be noted that India's share in the global exports of audiovisuals decreased from 2.6% in 2010 to 0.6% in 2019.

Figure 21: India's Trade in Audiovisuals (US\$ Million)



Source: ITC Trade Map; India Exim Bank Research

At HS 6-digit level, India's top exported item under audiovisuals segment in 2019 was HS 852380 (Media for the recording of sound or of other phenomena, whether or not recorded, incl. matrices and masters for the production of discs), whose share in exports increased from 49% in 2010 to 88% in 2019. The imports are also dominated by the same item. The share of HS 852380 was almost 96% in 2019 in India's imports of audiovisuals.

Table 9: India's Audiovisuals Exports at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
852380	Media for the recording of sound or of other phenomena, whether or not recorded, incl. matrices and masters for the production of discs	CDs, DVDs, tapes	132.4	98.2	49.0%	88.0%	25.4%
852329	Magnetic media for the recording of sound or of other phenomena	CDs, DVDs, tapes	108.9	9.5	40.3%	8.5%	-14.0%
852349	Optical media for the recording of sound or of other phenomena	CDs, DVDs, tapes	0.0	2.7	0.0%	2.4%	3.6%*
852341	Optical media for the recording of sound or of other phenomena, unrecorded	CDs, DVDs, tapes	0.0	1.3	0.0%	1.1%	-43.6%*
370610	Cinematographic film, exposed and developed, whether or not incorporating soundtrack or consisting only of soundtrack, width >= 35 mm	Film	28.3	0.0	10.5%	0.0%	-42.9%
370690	Cinematographic film, exposed and developed, whether or not incorporating soundtrack or consisting only of soundtrack, width < 35 mm	Film	0.6	0.0	0.2%	0.0%	67.3%
Total			270.1	111.6	100.0%	100.0%	5.4%

*AAGR calculated during 2013 to 2019

Source: ITC Trade Map; India Exim Bank Research

Table 10: India's Audiovisuals Imports at HS 6-digit (US\$ Million)

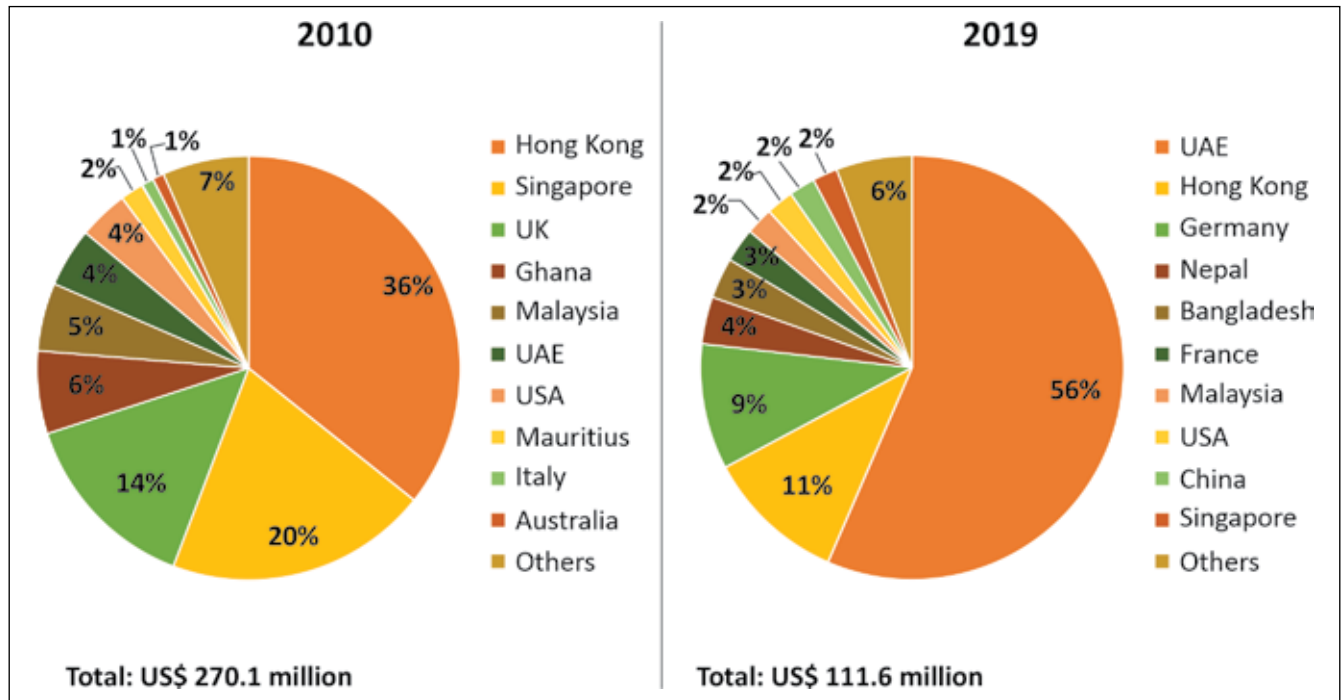
HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
852380	Media for the recording of sound or of other phenomena, whether or not recorded, incl. matrices and masters for the production of discs	CDs, DVDs, tapes	1121.4	933.3	96.4%	95.7%	4.6%
852349	Optical media for the recording of sound or of other phenomena	CDs, DVDs, tapes	0.0	20.4	0.0%	2.1%	14.0%*
852329	Magnetic media for the recording of sound or of other phenomena	CDs, DVDs, tapes	38.8	11.8	3.3%	1.2%	-11.5%
852341	Optical media for the recording of sound or of other phenomena, unrecorded	CDs, DVDs, tapes	0.0	9.3	0.0%	1.0%	40.9%*
370610	Cinematographic film, exposed and developed, whether or not incorporating soundtrack or consisting only of soundtrack, width >= 35 mm	Film	2.6	0.1	0.2%	0.0%	-27.0%**
370690	Cinematographic film, exposed and developed, whether or not incorporating soundtrack or consisting only of soundtrack, width < 35 mm	Film	0.2	0.0	0.0%	0.0%	-
Total			1163.0	974.9	100.0%	100.0%	4.1%

*AAGR calculated during 2013 to 2019; **AAGR calculated during 2010 to 2017

Source: ITC Trade Map; India Exim Bank Research

The sub-segment 'CDs, DVDs, tapes' dominates the Indian exports, on similar lines of the global exports. The share of this sub-segment was almost 100% in 2019, up from 89.3% in 2010. In the case of imports too, the share of 'CDs, DVDs, tapes' sub-segment was almost 100% in 2019 for India. India's top export destination for audiovisuals in 2019 was UAE which comprised over 55% of India's exports to the world. It was followed by Hong Kong with a share of over 10%. It may be noted that India's export destinations are significantly concentrated with the top ten export destinations accounting for over 94% of the exports.

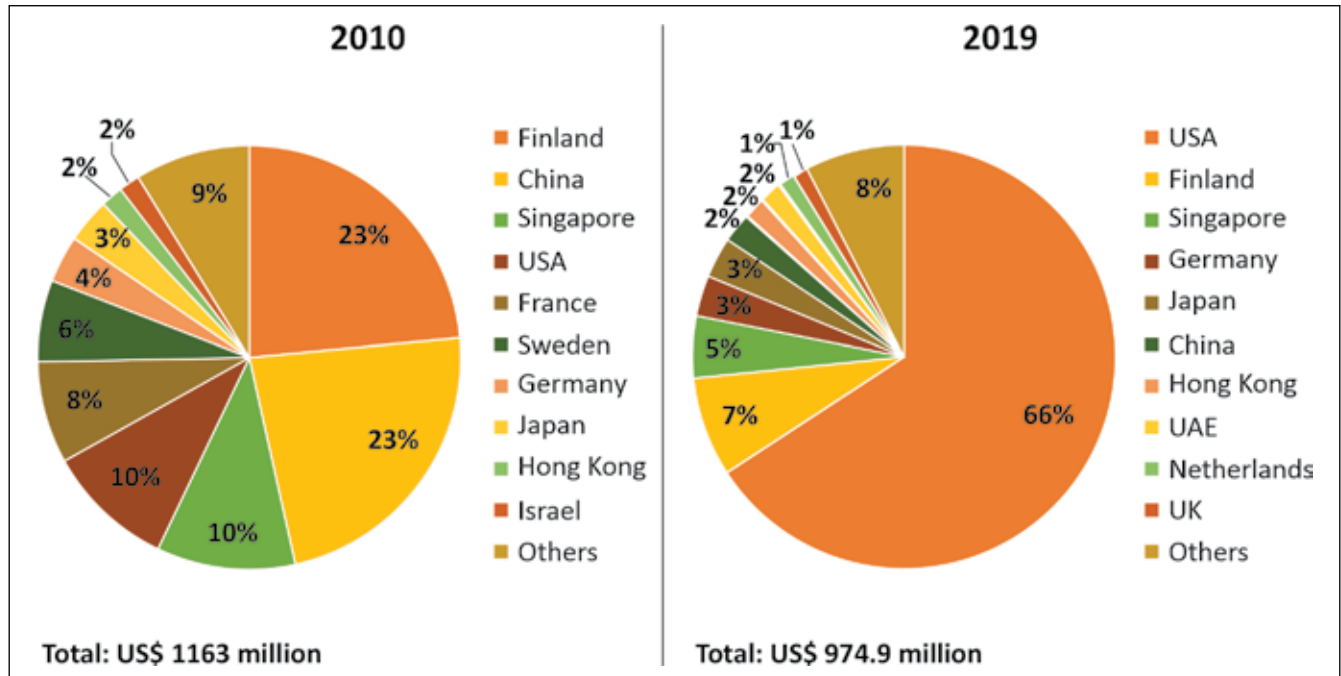
Figure 22: Major Export Destinations of Audiovisuals from India



Source: ITC Trade Map; India Exim Bank Research

In the case of imports, USA was the largest import source with over 65% of Indian audiovisuals imports being from USA in 2019.

Figure 23: Major Import Sources of Audiovisuals for India



Source: ITC Trade Map; India Exim Bank Research

India's Export Competitiveness in Audiovisuals

This section identifies items under the audiovisuals segment, where domestic capacities can be strengthened.

As described in the previous section, NRCA ranges from -1 to 1 with 0 as the breakeven point. That is, an NRCA value of less than 0 means that the product has no export comparative advantage, while a value above 0 indicates that the product has a comparative advantage.

Overall, in the audiovisuals segment, in many products the competitiveness of India has eroded over the years, except for one item, HS 852380²². The detailed table is provided in annexure with colour coding where negative NRCA values are in red and positive are in green.

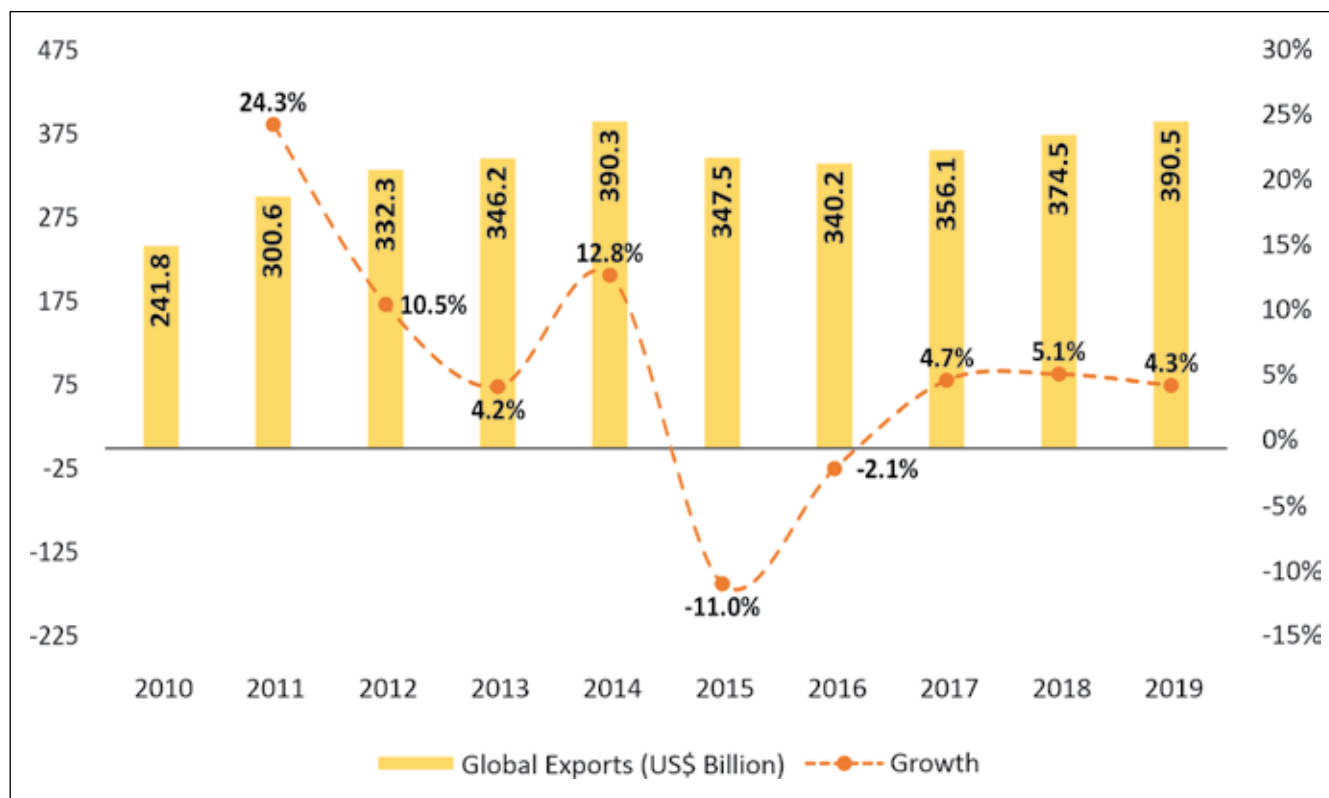
c. Design Goods

The UNCTAD classifies the design segment of creative goods into 75 HS 6-digit codes. The segment is further divided into various sub-segments such as architecture (1 commodity), fashion (29), glassware (6), interior (25), jewellery (10), and toys (4).

Global Trade

The global exports of design segment increased from US\$ 241.8 billion in 2010 to US\$ 390.5 billion in 2019 and registered an AAGR of 5.9%, marginally more than the export growth of the creative goods, overall.

Figure 24: Global Exports of Design Goods



Source: ITC Trade Map; India Exim Bank Research

²²Media for the recording of sound or of other phenomena, whether or not recorded, incl. matrices and masters for the production of discs

At the granular level, the top ten items at HS 6-digit level contributed to 74.1% of the global exports of design segment. These top ten items grew at an average rate of 7.5% annually, during 2010 to 2019. Further, three out of these ten items registered AAGRs of over 10%, during the last decade. The item HS 711319²³ contributed to more than one-fourth of design exports in 2019.

Table 11: Top Ten Items of Design Goods Exported by World at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
711319	Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or clad with precious metal (excluding articles > 100 years old)	Jewellery	52588.4	107977.2	21.8%	27.6%	10.4%
950300	Tricycles, scooters, pedal cars, and similar wheeled toys; dolls' carriages; dolls; other toys	Toys	25835.2	51825.5	10.7%	13.3%	8.1%
940360	Wooden furniture (excluding for offices, kitchens and bedrooms, and seats)	Interior	22682.0	25651.3	9.4%	6.6%	1.5%
940510	Chandeliers and other electric ceiling or wall lighting fittings (excluding for lighting public open spaces or thoroughfares)	Interior	8342.5	17622.9	3.5%	4.5%	9.3%
940320	Metal furniture (excluding for offices, seats and medical, surgical, dental or veterinary furniture)	Interior	9482.7	17325.0	3.9%	4.4%	7.4%
420221	Handbags, whether or not with shoulder straps, incl. those without handles, with outer surface of leather, composition leather or patent leather	Fashion	6860.1	16460.9	2.8%	4.2%	10.8%
420292	Travelling-bags, insulated food or beverage bags, toilet bags, rucksacks, shopping-bags, map-cases, tool bags, sports bags, jewellery boxes, cutlery cases etc.	Fashion	6075.9	14620.6	2.5%	3.7%	10.6%

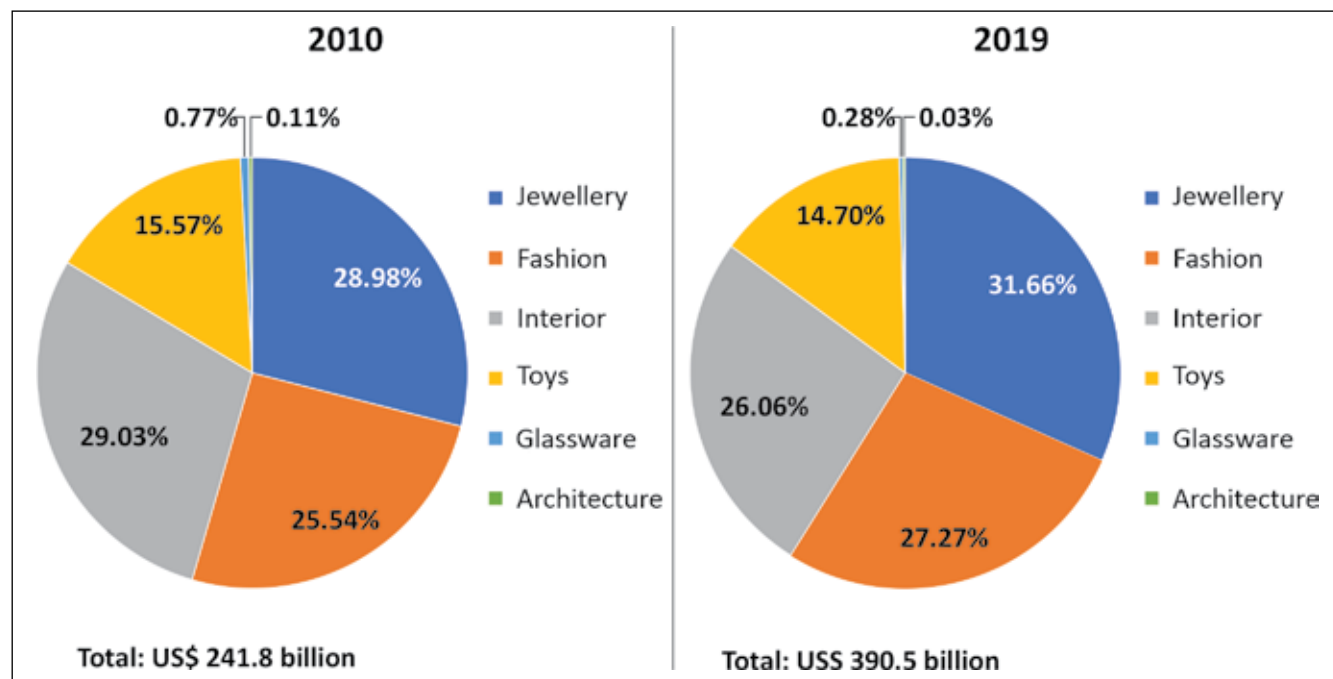
²³ Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or clad with precious metal(excluding articles > 100 years old)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
420222	Handbags, whether or not with shoulder straps, incl. those without handles, with outer surface of plastic sheeting or textile materials	Fashion	8265.2	14118.5	3.4%	3.6%	6.4%
420212	Trunks, suitcases, vanity cases, executive-cases, briefcases, school satchels and similar containers, with outer surface of plastics or textile materials	Fashion	10596.4	13237.2	4.4%	3.4%	3.0%
940350	Wooden furniture for bedrooms (excluding seats)	Interior	7988.7	10644.3	3.3%	2.7%	3.4%
Top 10			158717.2	289483.4	65.6%	74.1%	7.5%
Total			241770.5	390518.6	100.0%	100.0%	5.9%

Source: ITC Trade Map; India Exim Bank Research

Within the design segment, it is observed that jewellery sub-segment contributed the most, with its share being almost one-third in 2019. Fashion segment contributed another 27% in 2019. It may be noted that jewellery and fashion, both gained shares in 2019 vis-à-vis 2010. 'Interior' sub-segment which contributed 29% to the design exports in 2010, lost 3% share in 2019.

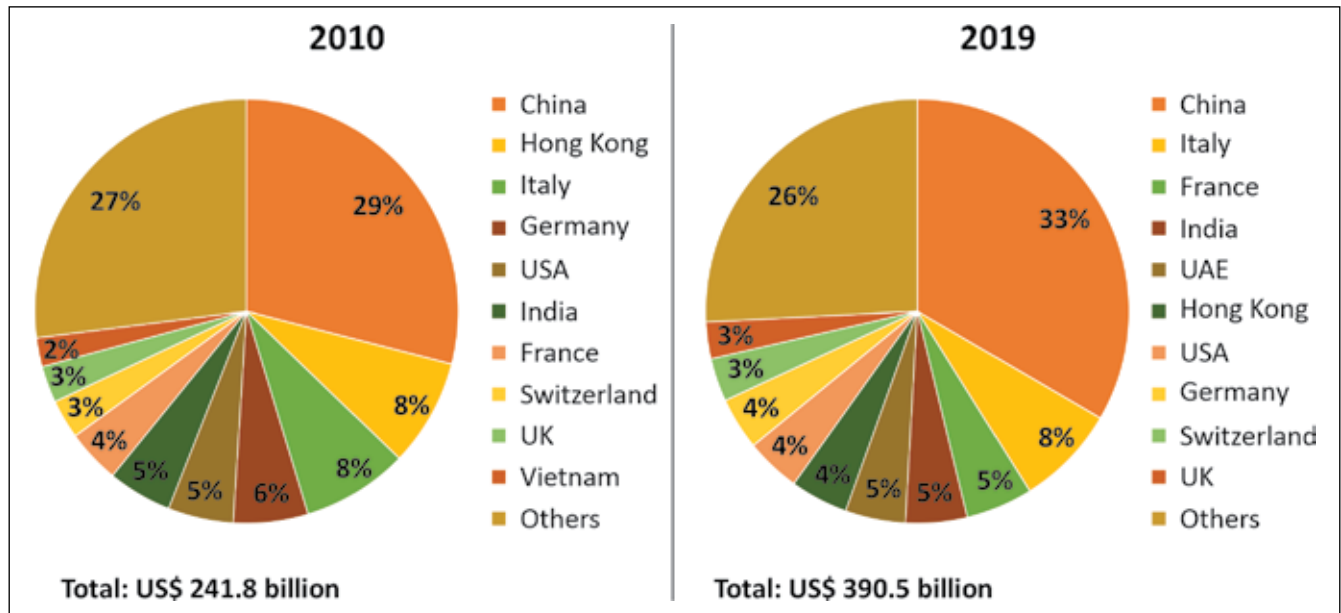
Figure 25: Share of Sub-Segments in Global Design Goods Exports



Source: ITC Trade Map; India Exim Bank Research

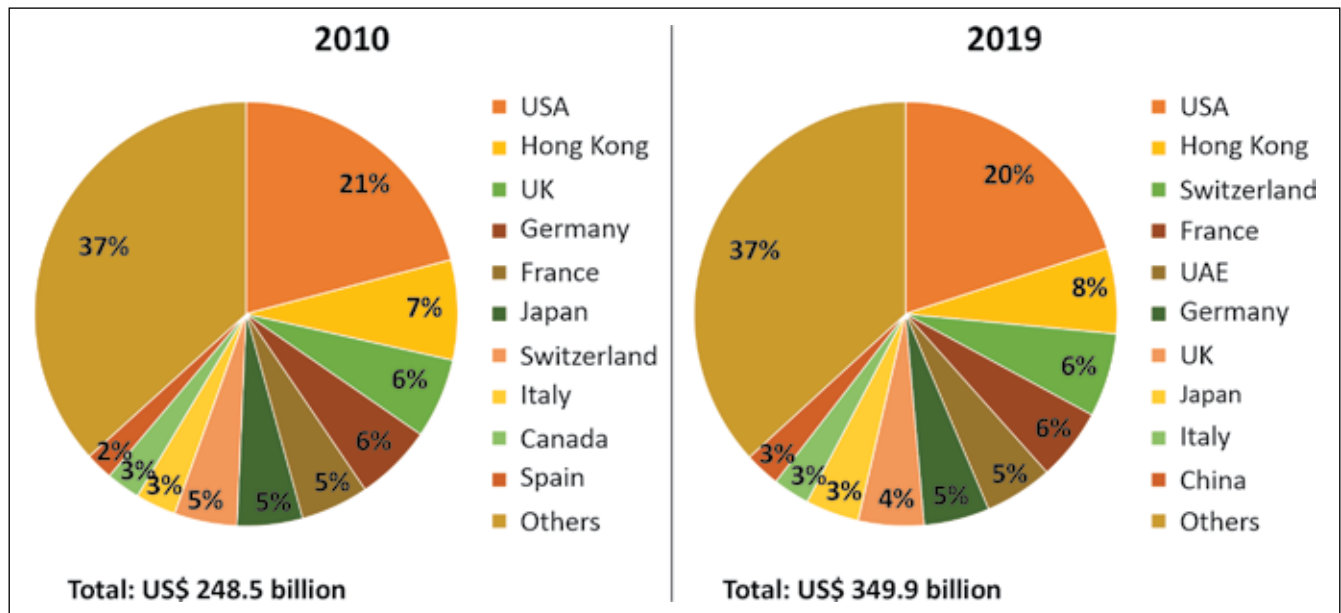
In 2019, the top ten exporting countries accounted for 74.2% of the total exports of the segment, with China contributing to over 33% of the exports. In comparison, the top ten exporters contributed 73% in 2010, signifying not much change in exporter concentration. The UAE, with a share of 4.6% was the new entrant in 2019 replacing Vietnam (2% share), which was part of top ten exporters in 2010. On the imports side, the importer concentration was lesser than exporters. The top ten importers in 2019 contributed to 63% of design imports in 2019, almost the same as in 2010. USA and Hong Kong remained the top two importers, both in 2010 and 2019.

Figure 26: Major Global Exporters of Design Goods



Source: ITC Trade Map; India Exim Bank Research

Figure 27: Major Global Importers of Design Goods

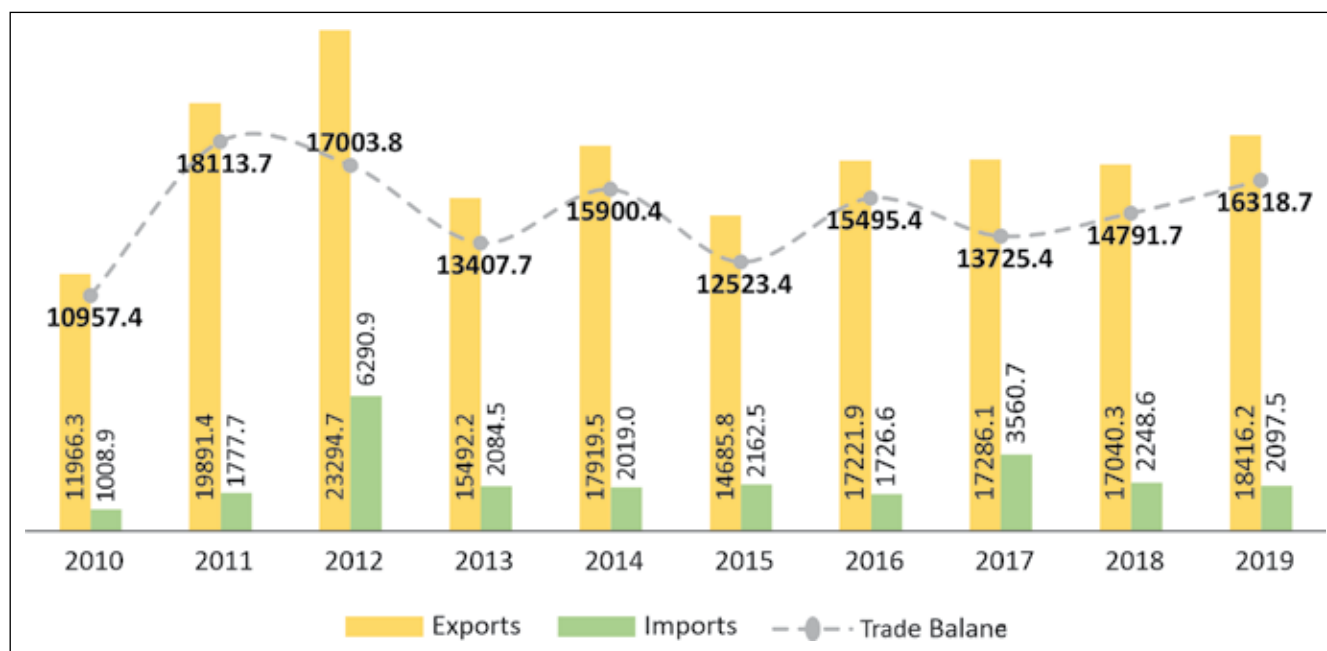


Source: ITC Trade Map; India Exim Bank Research

India

The exports of design segment from India increased from US\$ 11966.3 million in 2010 to US\$ 18416.2 million in 2019. During the same time, the imports grew from US\$ 1008.9 million in 2010 to US\$ 2097.5 million in 2019. As a result, India's trade surplus increased from US\$ 10957.4 million in 2010 to US\$ 16318.7 million in 2019. While the exports registered an AAGR of 8%, the imports grew at an average rate of 34.4%, during the abovementioned period. It may be noted that India's share in the global design exports marginally decreased from 4.9% in 2010 to 4.7% in 2019. The share reached as high as 7% in 2012.

Figure 28: India's Trade in Design Goods (US\$ Million)



Source: ITC Trade Map; India Exim Bank Research

With respect to the major items exported by India under the Design segment at HS 6-digit level, the top ten items contributed to 89.7% of the India's design exports in 2019. However, item HS 711319²⁴ alone contributed to 67.2% of the total design exports from India in 2019, up from its share of 62.5% in 2010. It was followed by HS 711311²⁵, which had a share of 6.5% in 2019 and registered an AAGR of 31.6%, during 2010 to 2019.

As compared to the exports, the imports of India under the design segment in 2019 were less concentrated. The top ten imported items contributed to almost 80% of the total imports. The top imported item is HS 711319, which has registered an AAGR 88.3%, during 2010 and 2019 had a share of 25.6% in 2019.

²⁴ Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or clad with precious metal

²⁵ Articles of jewellery and parts thereof, of silver, whether or not plated or clad with other precious metal

Table 12: Top Ten Items of Design Goods Exported by India at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
711319	Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or clad with precious metal	Jewellery	7476.7	12366.5	62.5%	67.2%	12.0%
711311	Articles of jewellery and parts thereof, of silver, whether or not plated or clad with other precious metal	Jewellery	356.7	1188.2	3.0%	6.5%	31.6%
940360	Wooden furniture (excluding for offices, kitchens and bedrooms, and seats)	Interior	299.4	544.3	2.5%	3.0%	7.0%
420231	Wallets, purses, key- pouches, cigarette-cases, tobacco-pouches and similar articles carried in the pocket or handbag, with outer surface of leather, composition leather or patent leather	Fashion	251.1	480.4	2.1%	2.6%	8.4%
420310	Articles of apparel, of leather or composition leather	Fashion	378.5	436.9	3.2%	2.4%	3.1%
420221	Handbags, whether or not with shoulder straps, incl. those without handles, with outer surface of leather, composition leather or patent leather	Fashion	246.7	421.6	2.1%	2.3%	6.7%
420222	Handbags, whether or not with shoulder straps, incl. those without handles, with outer surface of plastic sheeting or textile materials	Fashion	112.8	323.0	0.9%	1.8%	13.6%
570500	Carpets and other textile floor coverings, whether or not made up	Interior	312.0	302.5	2.6%	1.6%	0.8%
621490	Shawls, scarves, mufflers, mantillas, veils and similar articles of textile materials	Fashion	306.5	237.2	2.6%	1.3%	-0.4%
420329	Gloves, mittens and mitts, of leather or composition leather (excluding special sports gloves)	Fashion	144.2	214.3	1.2%	1.2%	6.0%
Top 10			9884.7	16514.9	82.6%	89.7%	9.3%
Total			11966.3	18416.2	100.0%	100.0%	8.0%

Source: ITC Trade Map; India Exim Bank Research

Table 13: Top Ten Items of Design Goods Imported by India at HS 6-digit (US\$ Million)

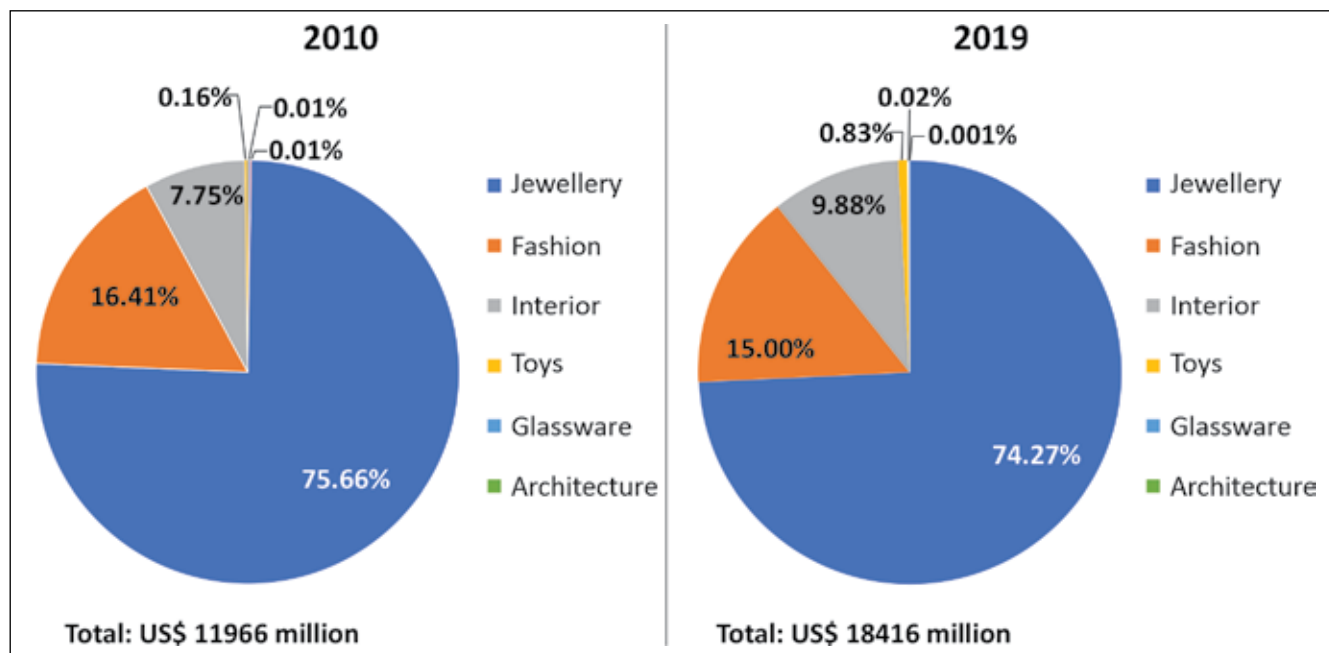
HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
711319	Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or clad with precious metal	Jewellery	223.6	536.9	22.2%	25.6%	88.3%
950300	Tricycles, scooters, pedal cars and similar wheeled toys; dolls' carriages; dolls; other toys; reduced-size scale" recreational models, working or not; puzzles of all kinds"	Toys	123.0	298.6	12.2%	14.2%	12.2%
420212	Trunks, suitcases, vanity cases, executive-cases, briefcases, school satchels and similar containers, with outer surface of plastics or textile materials	Fashion	47.9	204.8	4.7%	9.8%	19.0%
940360	Wooden furniture (excluding for offices, kitchens and bedrooms, and seats)	Interior	120.9	142.0	12.0%	6.8%	3.2%
420222	Handbags, whether or not with shoulder straps, incl. those without handles, with outer surface of plastic sheeting or textile materials	Fashion	18.6	108.9	1.8%	5.2%	24.8%
940389	Furniture of other materials, including cane, osier or similar materials	Interior	55.6	103.4	5.5%	4.9%	8.7%
711311	Articles of jewellery and parts thereof, of silver, whether or not plated or clad with other precious metal	Jewellery	30.0	75.3	3.0%	3.6%	17.3%
940350	Wooden furniture for bedrooms (excluding seats)	Interior	37.3	67.9	3.7%	3.2%	8.0%
940320	Metal furniture (excluding for offices, seats and medical, surgical, dental or veterinary furniture)	Interior	37.6	65.6	3.7%	3.1%	7.3%
940510	Chandeliers and other electric ceiling or wall lighting fittings	Interior	67.2	62.8	6.7%	3.0%	5.4%
Top 10			761.7	1666.2	75.5%	79.4%	37.2%
Total			1008.9	2097.5	100.0%	100.0%	34.4%

Source: ITC Trade Map; India Exim Bank Research

A sub-segment analysis for India's design goods trade shows that jewellery was the largest exported sub-segment, contributing almost three-fourths of the total design goods exports in 2019.

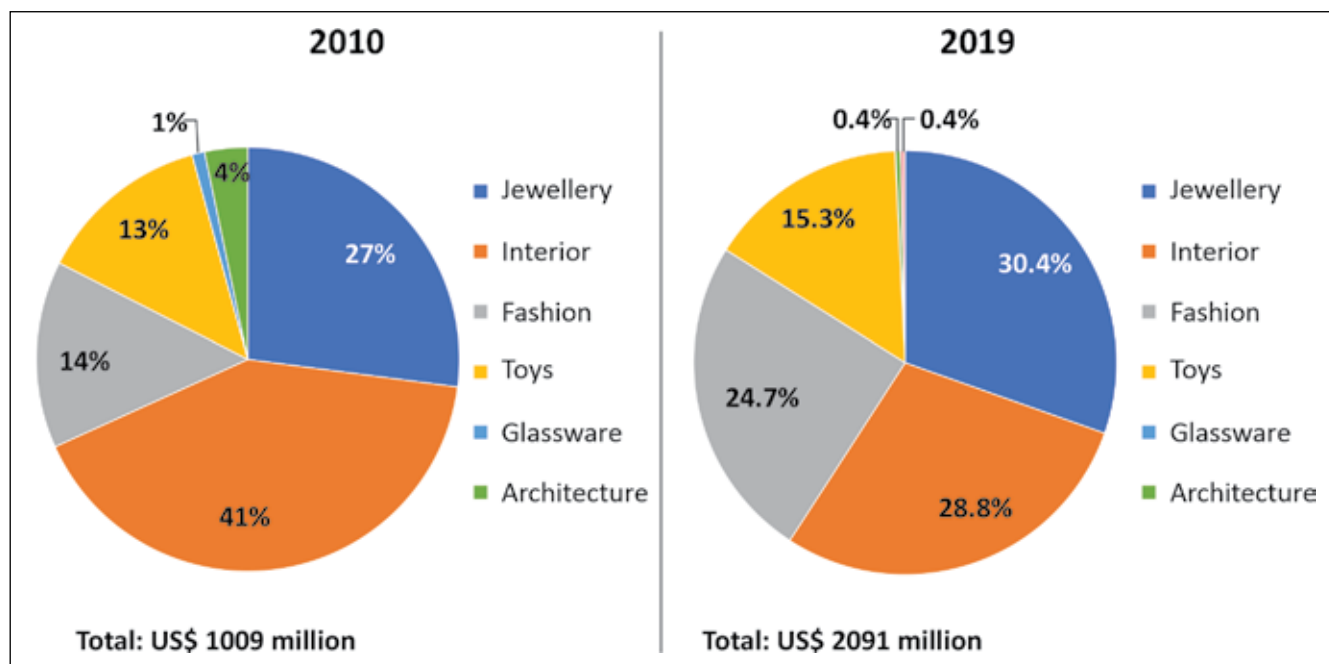
With respect to the imports, jewellery had a share of 30.4% in 2019, an increase of over 3% in its share from 2010. It was followed by 'interior' sub-segment which had a share of 28.8% in 2019 and displayed a dip of over 12% in its share from 2010. The fashion sub-segment gained 10% share in 2019 vis-à-vis 2010.

Figure 29: Share of Sub-Segments in India's Design Goods Exports



Source: ITC Trade Map; India Exim Bank Research

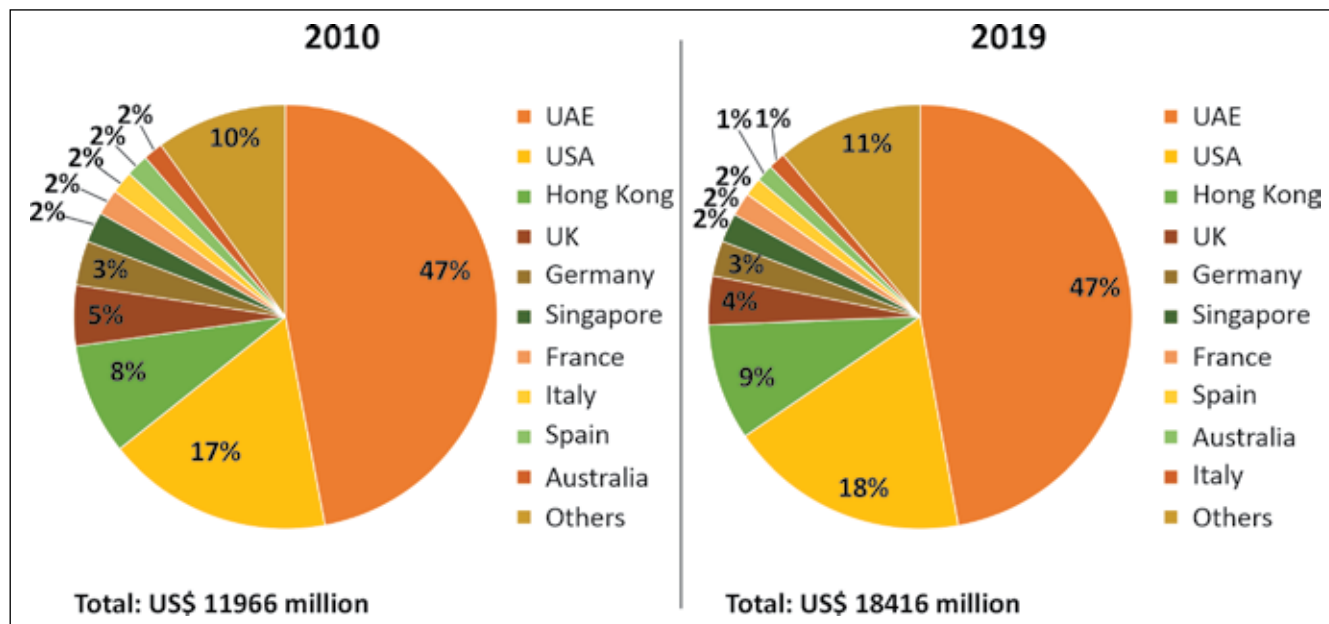
Figure 30: Share of Sub-Segments in India's Design Goods Imports



Source: ITC Trade Map; India Exim Bank Research

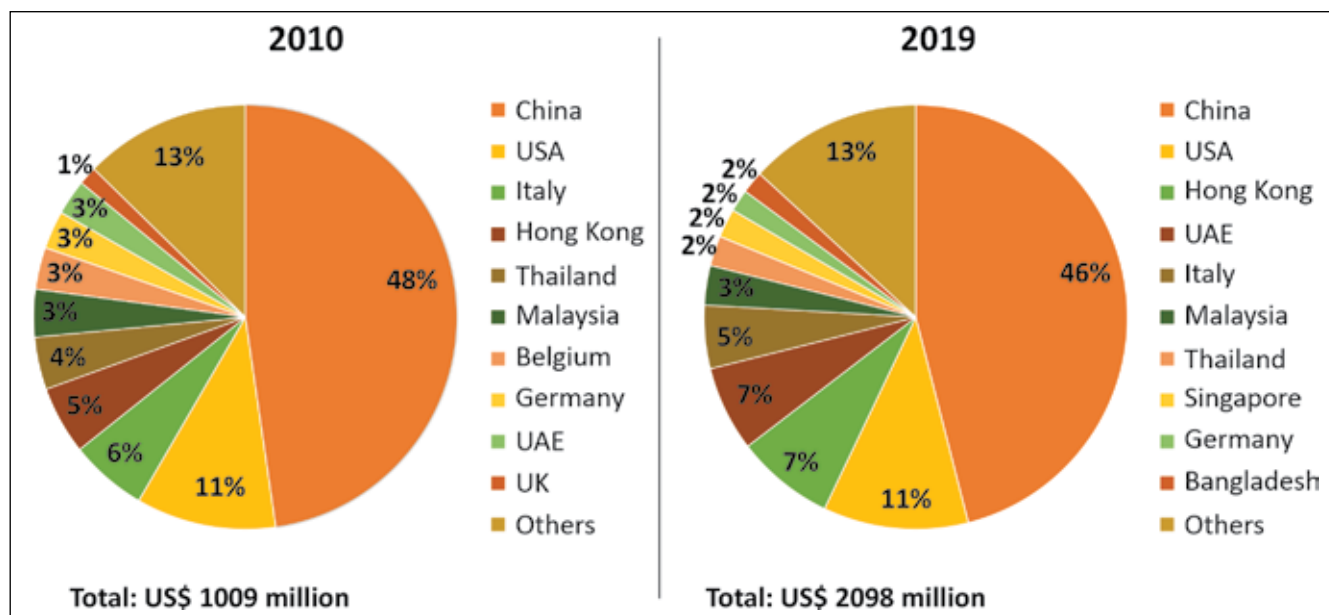
The major exporting destinations for design goods exports from India in 2019 were UAE (47.1%), USA (18.4%), Hong Kong (8.9%), UK (3.7%), and Germany (2.7%). The export destinations of India's design goods are highly concentrated with the top five destinations accounting for 80.8% of total design goods exports. The concentration of the export destinations has been almost the same, as compared to a decade ago. With respect to the import sources, China remained the largest import source in both the periods, viz., 2010 and 2019.

Figure 31: Major Export Destinations of Design Goods from India



Source: ITC Trade Map; India Exim Bank Research

Figure 32: Major Import Sources of Design Goods for India



Source: ITC Trade Map; India Exim Bank Research

India's Export Competitiveness in Design

This section undertakes an analysis with the objective of identifying items under design goods segment, where domestic capacities can be strengthened.

Overall, the design segment exports from India remained competitive in 2010, 2015, and 2019. Further a few commodities such as HS 940360²⁶ and HS 420222²⁷, were not export competitive in 2010 but were export competitive in 2015 and 2019. The detailed table is provided in annexure with colour coding where negative NRCA values are in red and positive are in green.

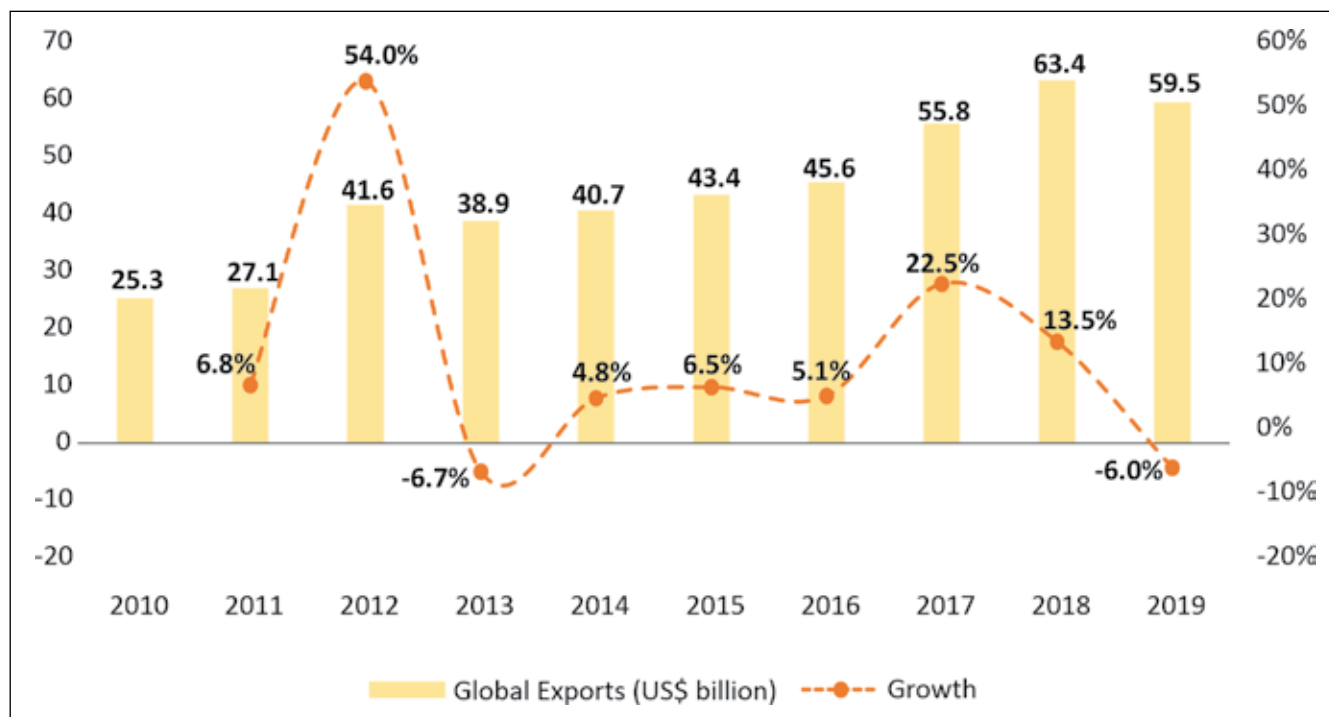
d. New Media

As per the classification given by UNCTAD through HS codes, new media segment includes six items at HS 6-digit level. These six HS items are divided into two segments- recorded media with 4 items and video games with 2 items.

Global Trade

The global exports of new media were recorded at US\$ 59.5 billion in 2019, up from US\$ 25.4 billion in 2010, growing more than twice in the last decade. The AAGR was thus recorded at 11.2% for new media exports during 2010 to 2019, significantly higher AAGR than that of the overall creative goods industry. The global exports of new media reached as high as US\$ 63.4 billion in 2018.

Figure 33: Global Exports of New Media Goods



Source: ITC Trade Map; India Exim Bank Research

²⁶ Wooden furniture (excluding for offices, kitchens and bedrooms, and seats)

²⁷ Handbags, whether or not with shoulder straps, incl. those without handles, with outer surface of plastic sheeting or textile materials

Table 14: Top New Media Goods Exported by World at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
852351	Solid-state, non-volatile data storage devices for recording data from an external source [flash memory cards or flash electronic storage cards]	Recorded Media	15854.9	30802.4	62.6%	51.7%	8.0%
950450	Video game consoles and machines (excluding operated by any means of payment)	Video Games	-	19004.4	0.0%	31.9%	5.4%*
852352	Cards incorporating one or more electronic integrated circuits "smart cards"	Recorded Media	4804.2	4630.7	19.0%	7.8%	-0.3%
950430	Games with screens, flipper and other games, operated by coins, banknotes, bank cards, tokens or by other means of payment (excluding bowling alley equipment)	Video Games	3539.9	3660.4	14.0%	6.1%	0.8%
852359	Semiconductor media, unrecorded, for the recording of sound or of other phenomena	Recorded Media	595.5	1145.2	2.4%	1.9%	11.5%
852321	Cards incorporating a magnetic stripe for the recording of sound or of other phenomena	Recorded Media	538.6	295.9	2.1%	0.5%	-5.7%
Total			25333.1	59539.1	100.0%	100.0%	11.2%

* AAGR calculated during 2012 to 2019

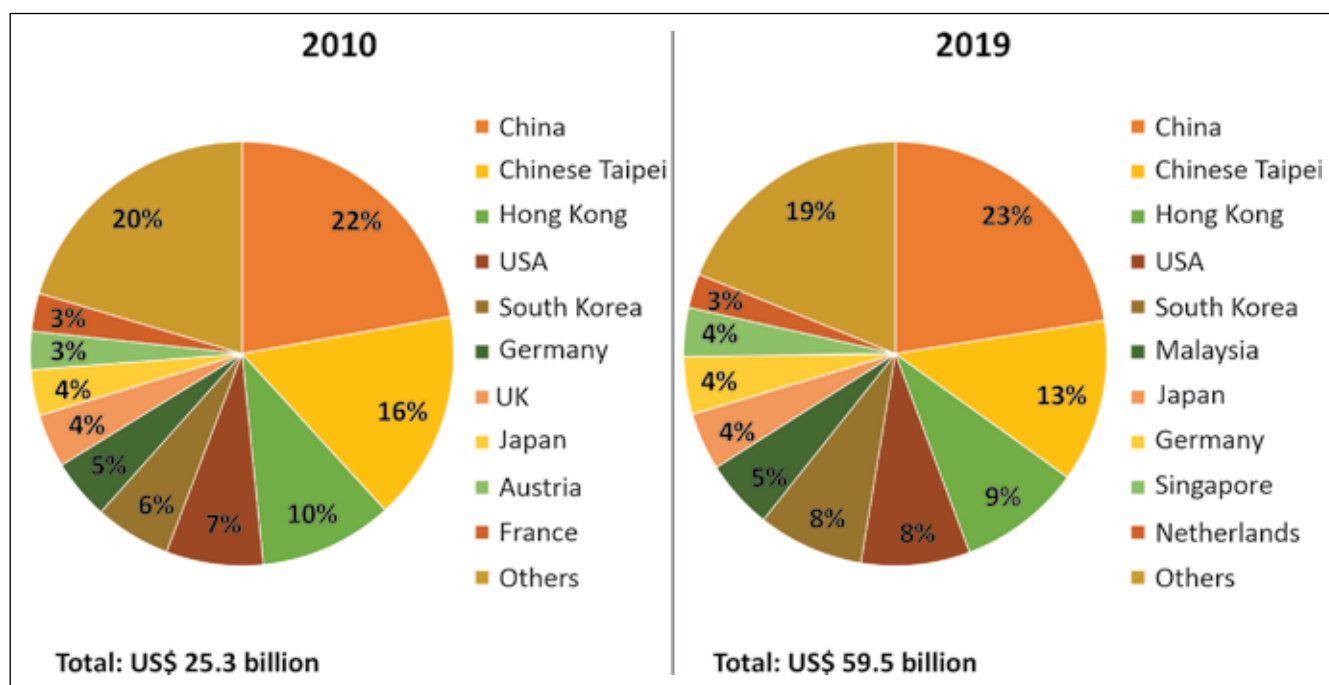
Source: ITC Trade Map; India Exim Bank Research

A sub-segment analysis shows that the exports of 'recorded media' have dominated the new media exports from the world. However, the share of this sub-segment dropped from 86% in 2010 to 61.9% in 2019.

China remained the largest exporter of new media goods in both 2010 and 2019, holding more than one-fifth of the global share. The top ten exporters accounted for over 80% of the world exports in 2019. On

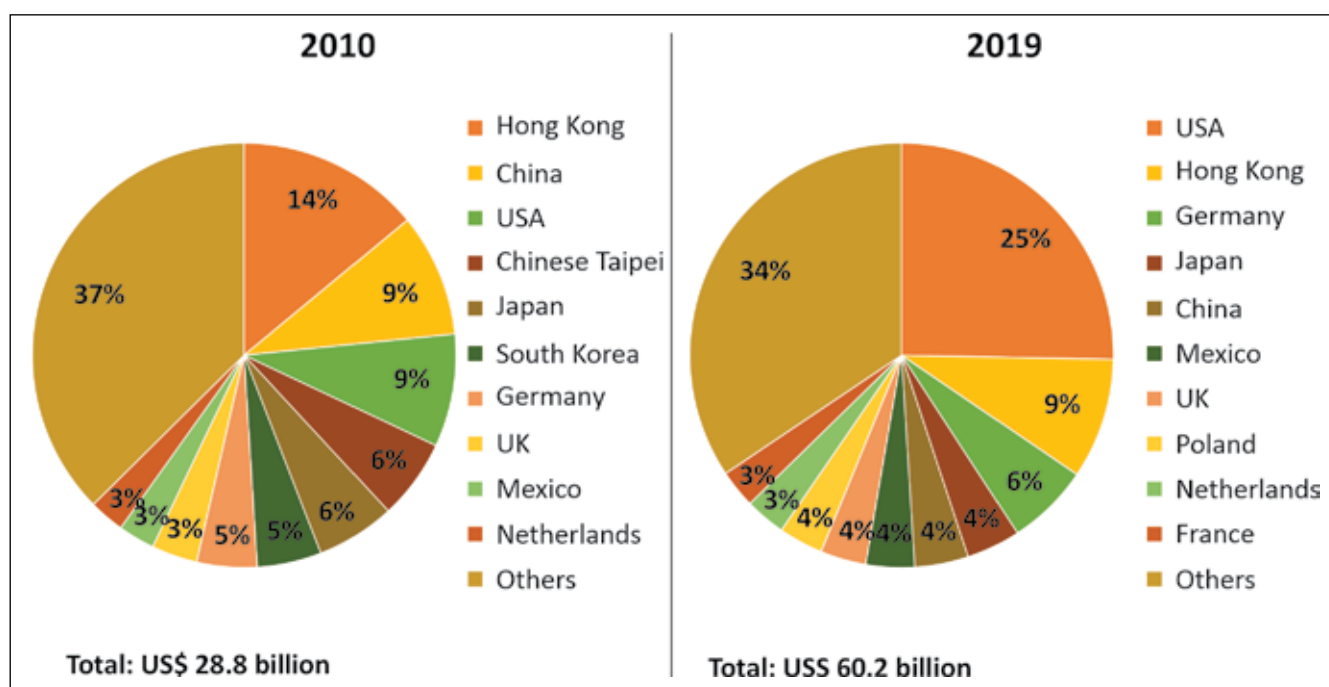
the importers side, the USA accounted for over one-fourth of the global new media goods imports in 2019. Its share was 8.6% in 2010 and was the third largest importer in 2010.

Figure 34: Major Global Exporters of New Media Goods



Source: ITC Trade Map; India Exim Bank Research

Figure 35: Major Global Importers of New Media Goods

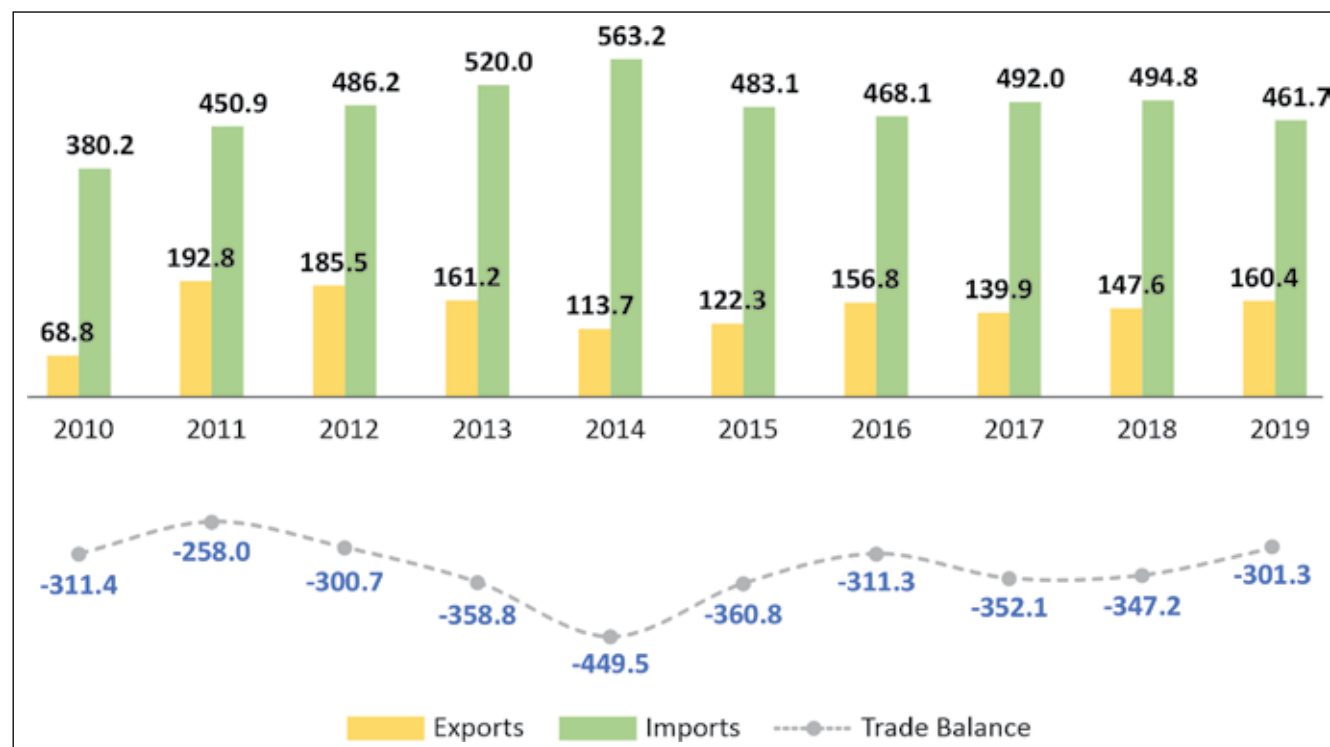


Source: ITC Trade Map; India Exim Bank Research

India

India's exports of new media goods were recorded at US\$ 160.4 million in 2019, up from US\$ 68.8 million in 2010. During the same period, the imports by India also increased from US\$ 380.2 million in 2010 to US\$ 461.7 million in 2019. As a result, India remains in deficit in the trade of new media segment. The trade deficit in 2019 was recorded at US\$ 301.3 million. It may be noted that during the abovementioned period, while the exports registered an AAGR of 19.2%, the imports grew at a much slower pace of 2.6%, per annum.

Figure 36: India's Trade in New Media Goods (US\$ Million)



Source: ITC Trade Map; India Exim Bank Research

At HS 6-digit level, India's top exported items under new media goods segment in 2019 was HS 852352 (Cards incorporating one or more electronic integrated circuits "smart cards"), whose share in exports was almost 47% in 2019, down from almost 90%, a decade ago. With respect to the imports, the top imported at the HS 6-digit level was HS 852351 (Solid-state, non-volatile data storage devices for recording data from an external source) with a share of over 65% in 2019. The item registered an AAGR of 8.1% in its imports by India, during 2010 to 2019.

Table 15: India's New Media Goods Exports at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
852352	Cards incorporating one or more electronic integrated circuits "smart cards"	Recorded Media	61.9	75.1	89.9%	46.8%	7.3%
852351	Solid-state, non-volatile data storage devices for recording data from an external source [flash memory cards or flash electronic storage cards]	Recorded Media	0.3	42.9	0.4%	26.7%	2834.1%
852359	Semiconductor media, unrecorded, for the recording of sound or of other phenomena	Recorded Media	3.5	35.6	5.1%	22.2%	36.1%
950430	Games with screens, flipper and other games, operated by coins, banknotes, bank cards, tokens or by other means of payment (excluding bowling alley equipment)	Video Games	2.8	3.4	4.0%	2.1%	129.1%
852321	Cards incorporating a magnetic stripe for the recording of sound or of other phenomena	Recorded Media	0.4	1.9	0.5%	1.2%	31.8%
950450	Video game consoles and machines (excluding operated by any means of payment)	Video Games	0.0	1.4	0.0%	0.9%	1015.1%*
Total			68.8	160.4	100.0%	100.0%	19.2%

*AAGR calculated during 2013 to 2019Source: ITC Trade Map; India Exim Bank Research

Table 16: India's New Media Goods Imports at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
852351	Solid-state, non-volatile data storage devices for recording data from an external source [flash memory cards or flash electronic storage cards]	Recorded Media	167.3	302.2	44.0%	65.5%	8.1%
852352	Cards incorporating one or more electronic integrated circuits "smart cards"	Recorded Media	198.7	90.5	52.3%	19.6%	-6.8%
852359	Semiconductor media, unrecorded, for the recording of sound or of other phenomena	Recorded Media	5.3	34.0	1.4%	7.4%	26.5%
950450	Video game consoles and machines (excluding operated by any means of payment)	Video Games	0.0	23.1	0.0%	5.0%	7.7%*
950430	Games with screens, flipper and other games, operated by coins, banknotes, bank cards, tokens or by other means of payment (excluding bowling alley equipment)	Video Games	5.6	10.1	1.5%	2.2%	17.0%
852321	Cards incorporating a magnetic stripe for the recording of sound or of other phenomena	Recorded Media	3.4	1.9	0.9%	0.4%	-4.5%
Total			380.2	461.7	100.0%	100.0%	2.6%

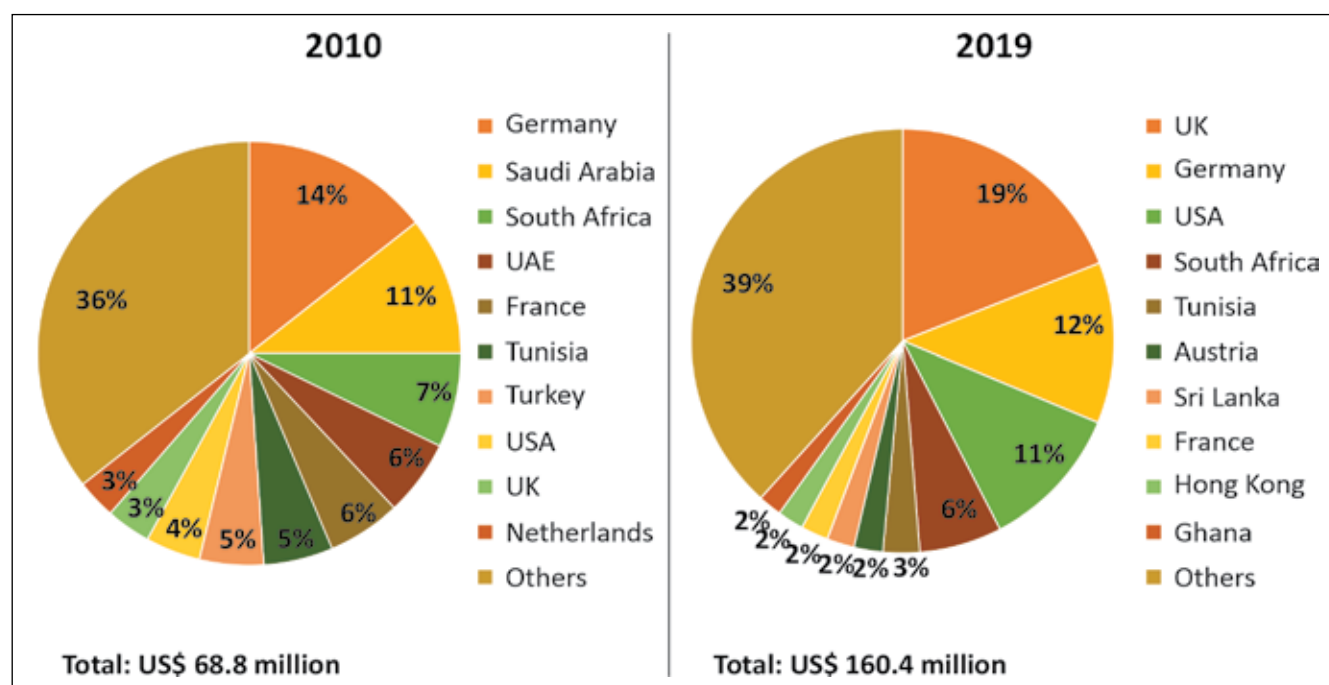
*AAGR calculated during 2013 to 2019

Source: ITC Trade Map; India Exim Bank Research

Further, the sub-segment 'recorded media' dominated the new media goods exports from India with a share of almost 97% in 2019. On the imports side as well, this sub-segment had a share of 92.8% in India's imports of new media goods in 2019, down from a share of 98.5% in 2010.

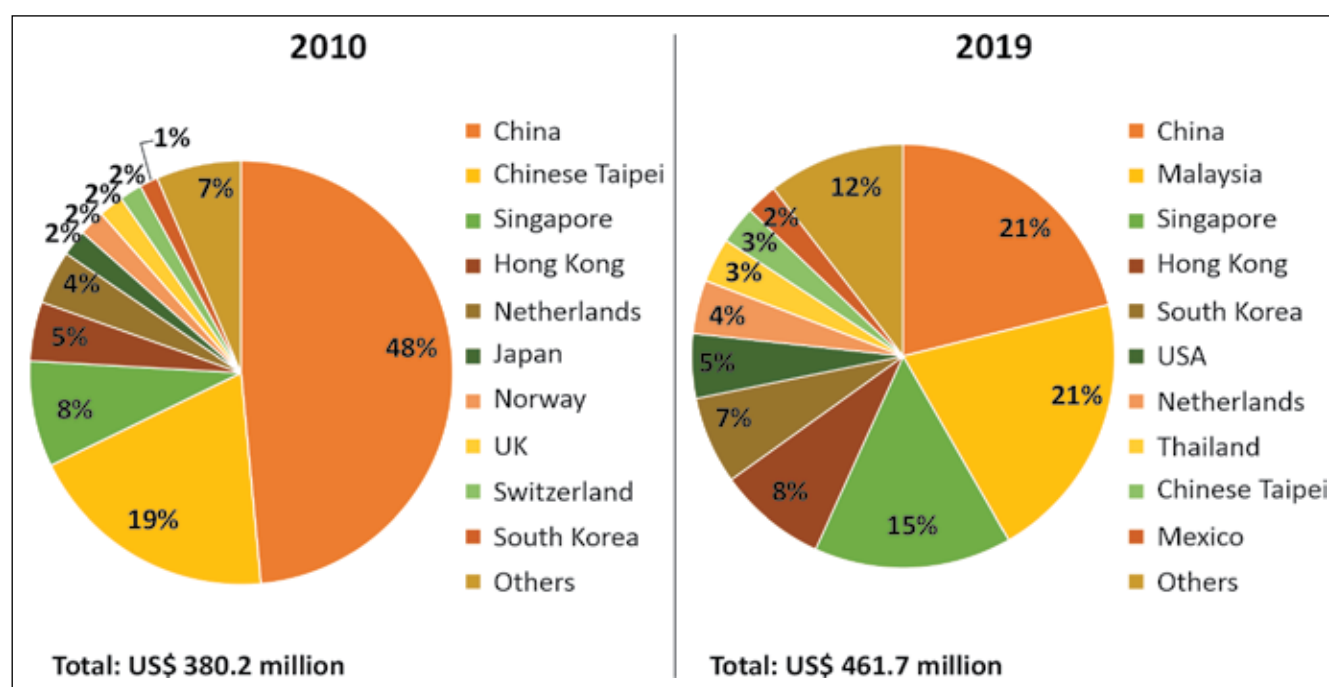
In the context of top export destination for new media goods exports from India, the UK topped the list in 2019 with a 19% share. It is vital to note that the share of the UK in 2010 was just 3.4% and was placed at the 9th rank. Another major gainer was the USA, which had a share of 4.2% in 2010 being 8th rank. Its share increased to 11.1% in 2019 and was placed at 3rd rank.

Figure 37: Major Export Destinations of New Media Goods from India



Source: ITC Trade Map; India Exim Bank Research

Figure 38: Major Import Sources of New Media Goods for India



Source: ITC Trade Map; India Exim Bank Research

On the import sources side, China contributed to over one-fifth of India's imports of new media goods in 2019. Malaysia's contribution in 2019 was also over one-fifth of India's imports. Chinese Taipei, which was the second largest import source in 2010 with a share of 19.3%, saw a drop in its share to 2.9% in 2019.

India's Export Competitiveness in New Media Goods

The analysis shows that for the six items analysed for three years, there were only two instances, where an item exhibited export competitiveness for India. These were HS 852352 (Cards incorporating one or more electronic integrated circuits “smart cards”) in 2015 and HS 852359 (Semiconductor media, unrecorded, for the recording of sound or of other phenomena) in 2019. Overall, the exports for new media from India were not competitive in any of the three years analysed. The detailed table is provided in annexure with colour coding where negative NRCA values are in red and positive are in green.

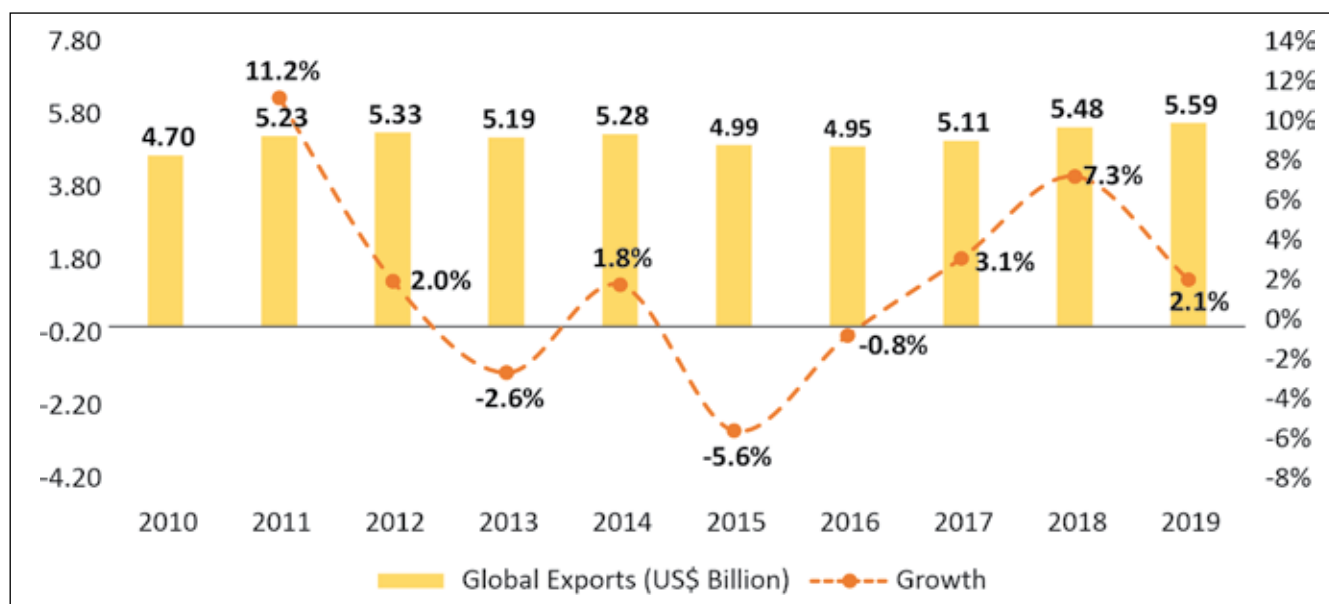
e. Performing Arts

As per the classification given by UNCTAD, performing arts segment include 14 items at HS 6-digit level. These 14 HS items are divided into two segments, viz., musical instruments with 13 items and printed music with one item.

Global Trade

The global exports of performing arts goods were recorded at US\$ 5.6 billion in 2019, up from US\$ 4.7 billion in 2010. The AAGR recorded by this segment was at mere 2% during 2010 to 2019, significantly lower than that of the overall creative goods industry. It may be noted that the exports in 2019 at US\$ 5.6 billion were the highest in the last decade for performing arts goods.

Figure 39: Global Exports of Performing Arts Goods



Source: ITC Trade Map; India Exim Bank Research

The analysis at the HS 6-digit level shows that out of the 14 items, the top five contributed to almost 70% of the global performing arts goods exports in 2019. Out of these five items, the highest exported item (HS 920710²⁸) and third highest exported item (HS 920290²⁹) recorded AAGRs higher than that of the overall performing arts goods exports. The sub-segment ‘printed music’ had a share of just 1.7% in 2019, down from 2.7% in 2010 in the global exports of performing arts goods.

²⁸ Keyboard instruments, the sound of which is produced, or must be amplified, electrically(excluding accordions)

²⁹ Guitars, harps and other string musical instruments

Table 17: Items of Performing Arts Exported by the World at HS 6-digit (US\$ Million)

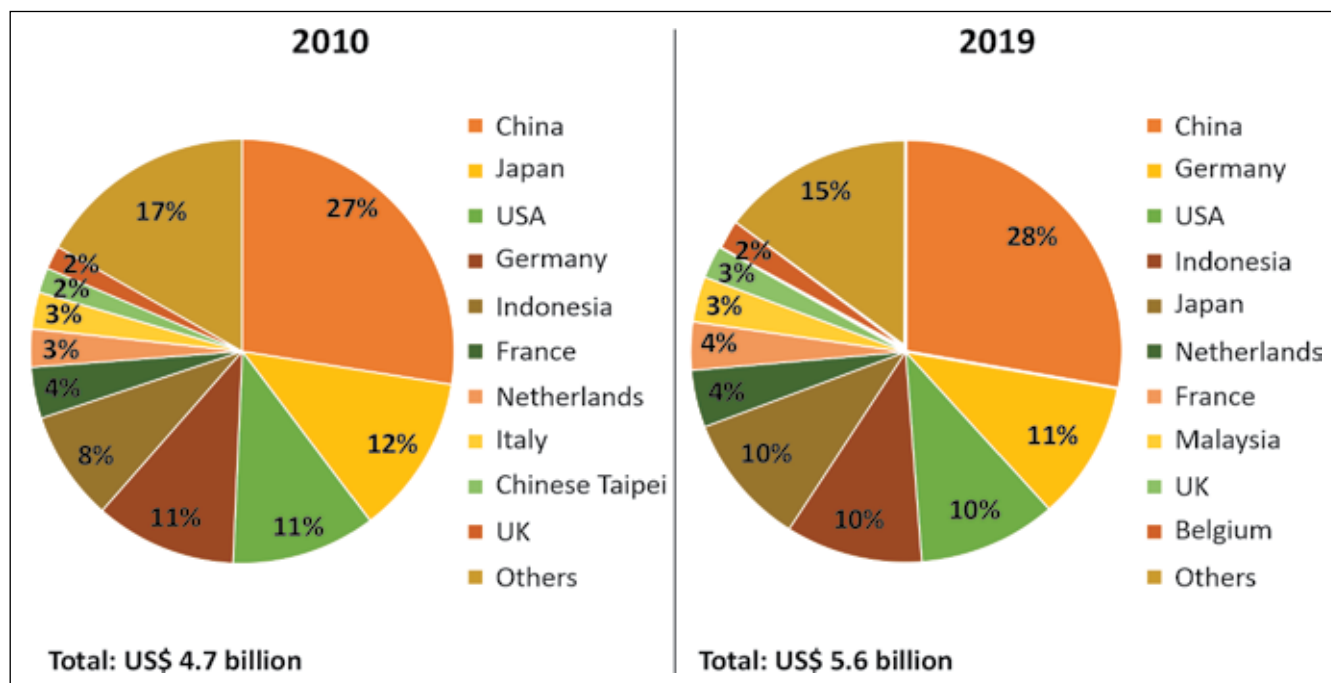
HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
920710	Keyboard instruments, the sound of which is produced, or must be amplified, electrically(excluding accordions)	Musical instruments	898.2	1227.0	19.1%	22.0%	3.7%
920790	Accordions and musical instruments without keyboards, the sound of which is produced, or must be amplified, electrically	Musical instruments	832.5	895.9	17.7%	16.0%	1.0%
920290	Guitars, harps and other string musical instruments	Musical instruments	615.8	812.8	13.1%	14.5%	3.5%
920590	Wind musical instruments (excluding brass-wind instruments)	Musical instruments	475.2	551.2	10.1%	9.9%	1.8%
920110	Upright pianos	Musical instruments	402.4	455.3	8.6%	8.1%	1.6%
920600	Percussion musical instruments, e.g. drums, xylophones, cymbals, castanets, maracas	Musical instruments	434.9	454.0	9.3%	8.1%	0.6%
920120	Grand pianos	Musical instruments	321.5	397.3	6.8%	7.1%	2.7%
920510	Brass-wind instruments	Musical instruments	240.3	287.9	5.1%	5.2%	2.2%
920210	Violins and other string instruments	Musical instruments	130.1	149.2	2.8%	2.7%	1.7%
830610	Bells, gongs and the like, non-electric, of base metal (excluding musical instruments)	Musical instruments	81.3	105.9	1.7%	1.9%	3.2%
490400	Music, printed or in manuscript, whether or not bound or illustrated	Printed music	126.8	92.3	2.7%	1.7%	-3.2%
920810	Musical boxes	Musical instruments	51.7	72.2	1.1%	1.3%	4.7%

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
920890	Fairground organs, mechanical street organs, mechanical singing birds, musical saws and other musical instruments not falling within any other heading in chapter 92; decoy calls of all kinds; whistles, call horns and other mouth- blown sound signalling instruments	Musical instruments	63.4	57.4	1.3%	1.0%	-0.4%
920190	Harpsichords and other keyboard stringed instruments (excluding pianos)	Musical instruments	25.6	28.9	0.5%	0.5%	3.6%
Total			4699.6	5587.4	100.0%	100.0%	2.0%

Source: ITC Trade Map; India Exim Bank Research

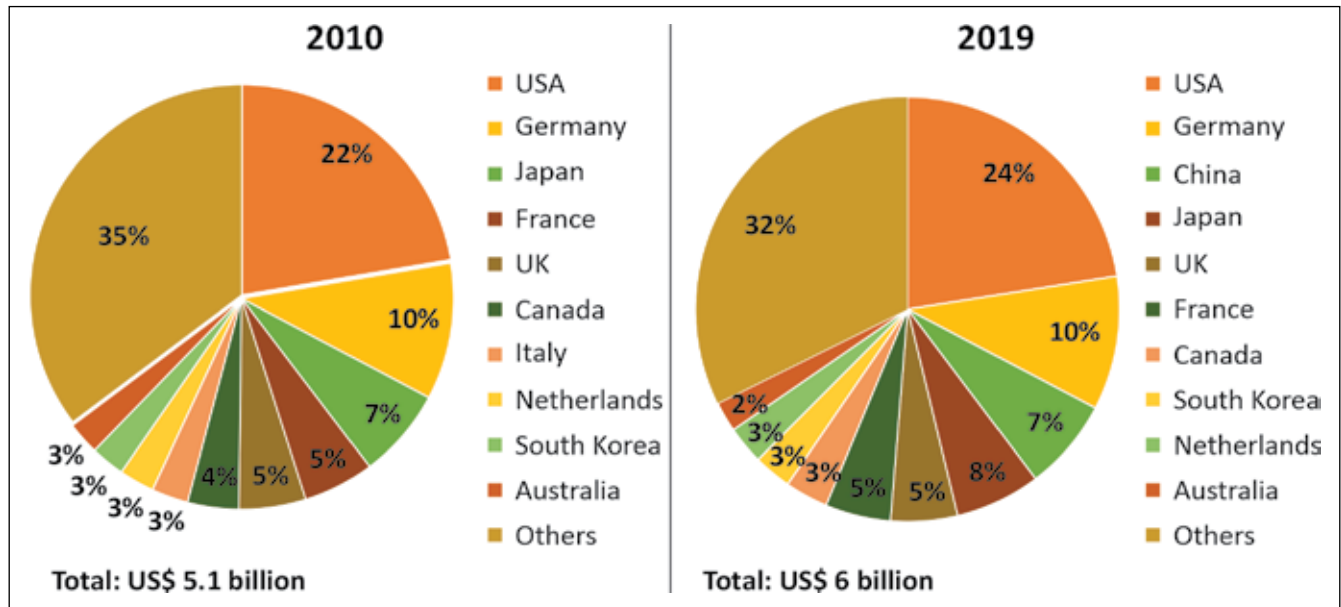
China remained the largest exporter of performing arts segment in both 2010 and 2019, holding more than one-fourth of the global share. The top five exporters accounted for almost 70% of the exports in 2019. On the importers side, the USA accounted for over one-fifth of the global performing arts imports in both 2010 and 2019.

Figure 40: Major Global Exporters of Performing Arts Goods



Source: ITC Trade Map; India Exim Bank Research

Figure 41: Major Global Importers of Performing Arts Goods

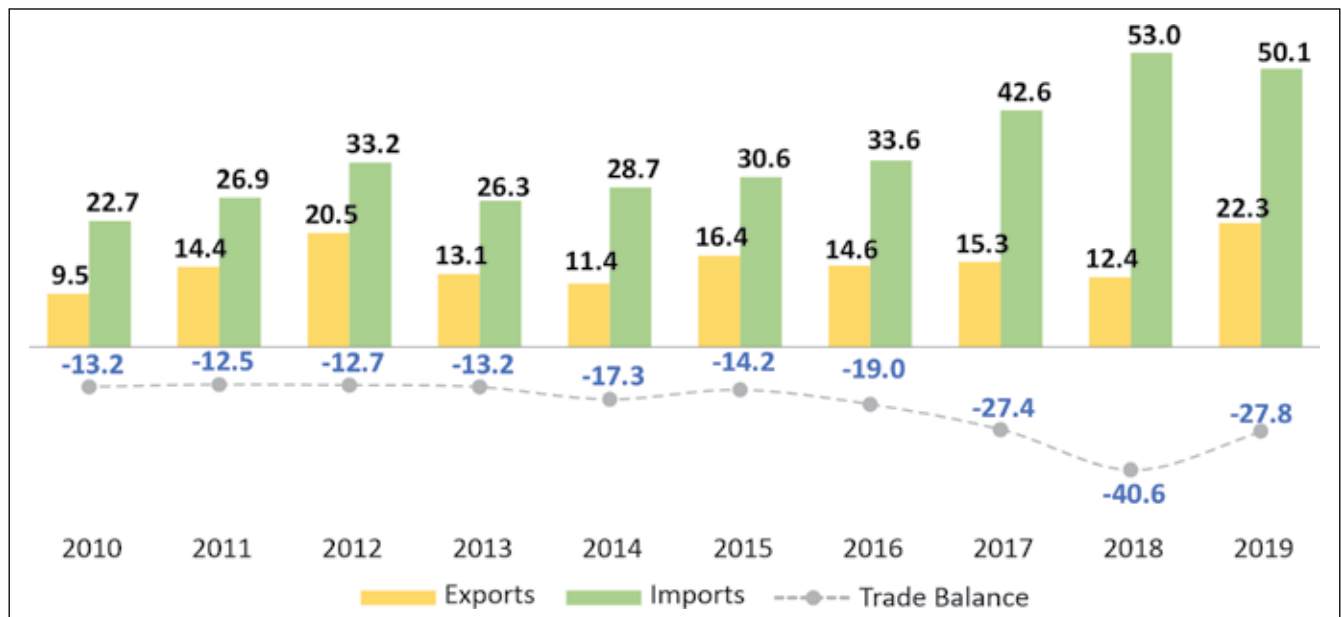


Source: ITC Trade Map; India Exim Bank Research

India

India's exports of performing arts goods were recorded at US\$ 22.3 million in 2019, up from US\$ 9.5 million in 2010, increasing more than twice during the last decade. However, during the same period, the imports by India also increased from US\$ 22.7 million in 2010 to US\$ 50.1 million in 2019. As a result, India remains in deficit in the trade of performing arts goods. The trade deficit in 2019 was recorded at US\$ 27.8 million. It may be noted that during the abovementioned period, while the exports registered an AAGR of 16%, the imports grew at a rate of 10.3%, per annum.

Figure 42: India's Trade in Performing Arts Goods (US\$ Million)



Source: ITC Trade Map; India Exim Bank Research

At HS 6-digit level, India's top exported item under performing arts goods segment in 2019 was HS 830610 (Bells, gongs and the like, non-electric, of base metal (excluding musical instruments)), with a share of almost 25%. The AAGR recorded by this item during 2010 to 2019 was 18%. The top five items contributed to 88% of the exports in 2019. With respect to the imports, the top five items had a collective share of 92% in India's imports of performing arts goods in 2019.

Table 18: India's Performing Arts Goods Exports at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
830610	Bells, gongs and the like, non-electric, of base metal (excluding musical instruments)	Musical instruments	2.3	5.5	24.2%	24.9%	18.0%
920790	Accordions and musical instruments without keyboards, the sound of which is produced, or must be amplified, electrically	Musical instruments	2.1	4.8	22.4%	21.6%	107.1%
920710	Keyboard instruments, the sound of which is produced, or must be amplified, electrically (excluding accordions)	Musical instruments	1.0	4.5	10.6%	20.4%	179.5%
920600	Percussion musical instruments, e.g. drums, xylophones, cymbals, castanets, maracas	Musical instruments	1.7	2.7	18.1%	12.2%	7.9%
920810	Musical boxes	Musical instruments	0.1	2.0	1.0%	8.9%	111.0%
920590	Wind musical instruments (excluding brass-wind instruments)	Musical instruments	0.7	0.7	7.0%	3.3%	4.1%
920290	Guitars, harps and other string musical instruments (excluding with keyboard and those played with a bow)	Musical instruments	1.1	0.7	11.5%	3.1%	149.1%
920890	Fairground organs, mechanical street organs, mechanical singing birds, musical saws and other musical instruments not falling within any other heading in chapter 92; decoy calls of all kinds; whistles, call horns and other mouth-blown sound signalling instruments	Musical instruments	0.0	0.5	0.0%	2.0%	56.1%*

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
920210	Violins and other string instruments	Musical instruments	0.0	0.4	0.2%	1.7%	183.1%
920190	Harpsichords and other keyboard stringed instruments (excluding pianos)	Musical instruments	0.2	0.4	2.1%	1.6%	22.4%
920510	Brass-wind instruments	Musical instruments	0.1	0.0	0.9%	0.2%	34.2%
490400	Music, printed or in manuscript, whether or not bound or illustrated	Printed music	0.14	0.01	1.5%	0.0%	57.6%**
920120	Grand pianos	Musical instruments	0.00	0.01	0.0%	0.0%	-
920110	Upright pianos	Musical instruments	0.05	0.00	0.5%	0.0%	1.5%
Total			9.5	22.3	100.0%	100.0%	16.0%

*AAGR calculated during 2013 to 2019; **AAGR calculated during 2010 to 2017

Source: ITC Trade Map; India Exim Bank ResearchTable 19: India's Performing Arts Goods Imports at HS 6-digit (US\$ Million)

Table 19: India's Performing Arts Goods Imports at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
920710	Keyboard instruments, the sound of which is produced, or must be amplified, electrically (excluding accordions)	Musical instruments	11.3	21.7	49.8%	43.4%	8.9%
920290	Guitars, harps and other string musical instruments (excluding with keyboard and those played with a bow)	Musical instruments	2.7	11.3	12.0%	22.6%	24.3%
920790	Accordions and musical instruments without keyboards, the sound of which is produced, or must be amplified, electrically	Musical instruments	2.9	8.3	12.6%	16.6%	20.2%

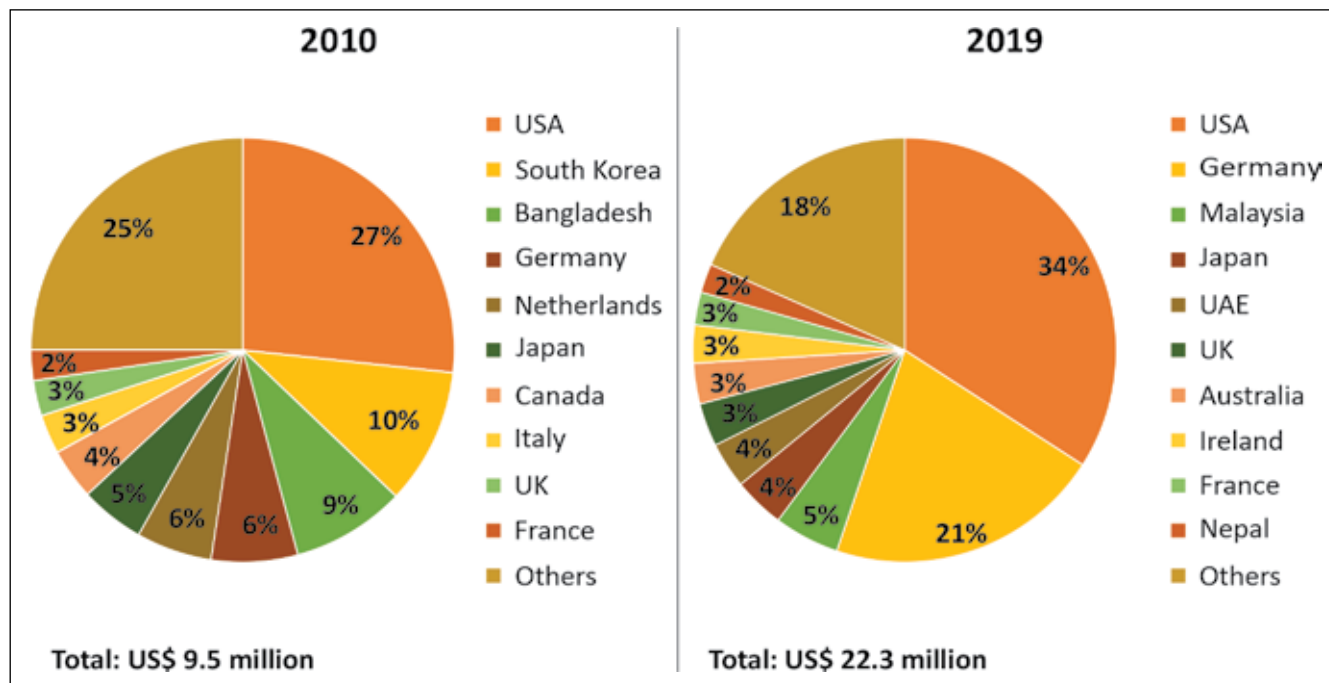
HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
920600	Percussion musical instruments, e.g. drums, xylophones, cymbals, castanets, maracas	Musical instruments	2.9	3.5	12.8%	7.0%	4.2%
920110	Upright pianos	Musical instruments	0.6	1.2	2.5%	2.4%	12.2%
920590	Wind musical instruments (excluding brass-wind instruments)	Musical instruments	0.5	1.0	2.0%	1.9%	15.1%
920210	Violins and other string instruments	Musical instruments	0.1	0.7	0.4%	1.5%	42.9%
830610	Bells, gongs and the like, non-electric, of base metal (excluding musical instruments)	Musical instruments	0.1	0.6	0.5%	1.2%	37.9%
490400	Music, printed or in manuscript, whether or not bound or illustrated	Printed music	0.0	0.5	0.0%	1.1%	402.8%
920120	Grand pianos	Musical instruments	0.2	0.4	0.8%	0.8%	17.5%
920190	Harpsichords and other keyboard stringed instruments (excluding pianos)	Musical instruments	1.4	0.4	6.2%	0.8%	-3.0%
920890	Fairground organs, mechanical street organs, mechanical singing birds, musical saws and other musical instruments not falling within any other heading in chapter 92; decoy calls of all kinds; whistles, call horns and other mouth-blown sound signalling instruments	Musical instruments	0.0	0.2	0.0%	0.4%	34.0%*
920810	Musical boxes	Musical instruments	0.05	0.1	0.2%	0.2%	-
920510	Brass-wind instruments	Musical instruments	0.01	0.04	0.0%	0.1%	76.9%
Total			22.7	50.1	100.0%	100.0%	10.3%

*AAGR calculated during 2013 to 2019; **AAGR calculated during 2010 to 2017

Source: ITC Trade Map; India Exim Bank Research

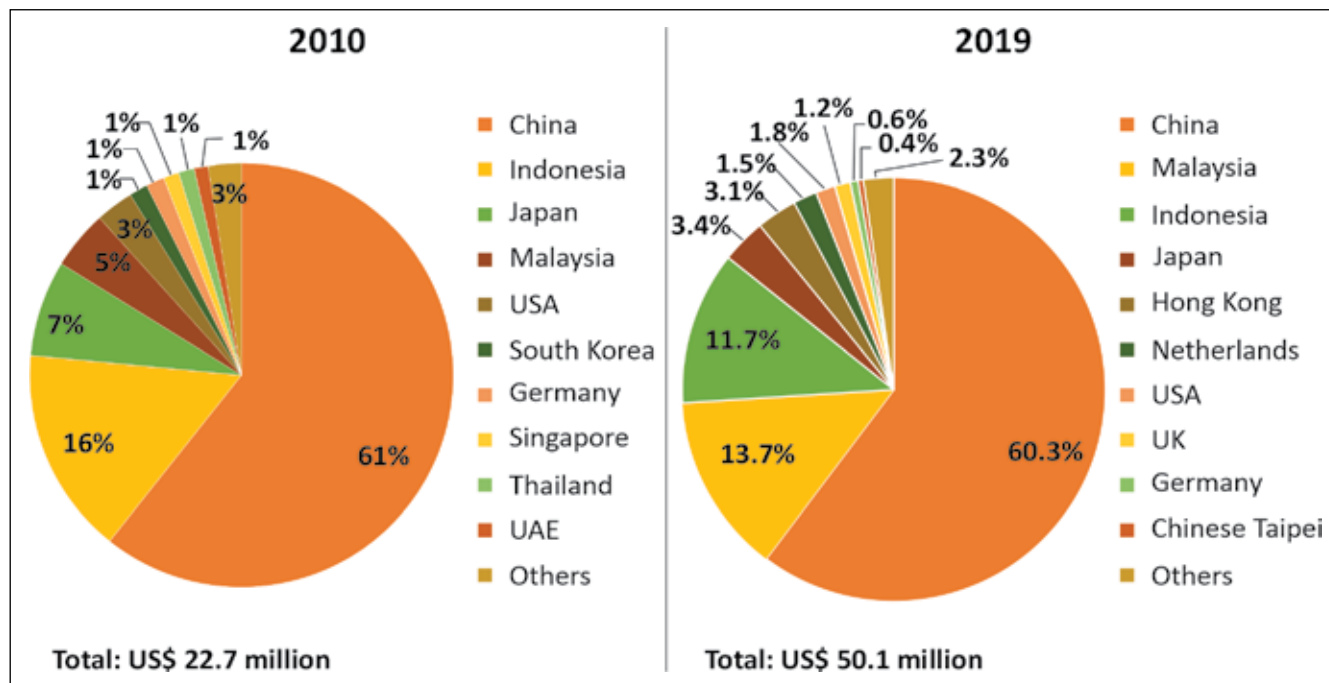
With respect to the top export destinations, the USA contributed to more than one-third of India's exports of performing arts in 2019, followed by Germany at 21%. The concentration is bigger at the importer level where China alone accounted for over 60% of India's imports of performing arts in 2019.

Figure 43: Major Export Destinations of Performing Arts Goods from India



Source: ITC Trade Map; India Exim Bank Research

Figure 44: Major Import Sources of Performing Arts Goods for India



Source: ITC Trade Map; India Exim Bank Research

India's Export Competitiveness in Performing Arts

This section identifies items under the performing arts segment, where domestic capacities can be strengthened.

The analysis shows that only one item, that is, HS 920790 (Accordions and musical instruments without keyboards, the sound of which is produced, or must be amplified, electrically) had competitiveness for exports from India in all three years, viz., 2010, 2015, and 2019. Another item, HS 920810 (Musical boxes) which was not export competitive in 2010 and 2015, improved its export competitiveness 2019. Overall, in the performing arts goods segment, the export competitiveness of India was not significant. The detailed table is provided in annexure with colour coding where negative NRCA values are in red and positive are in green.

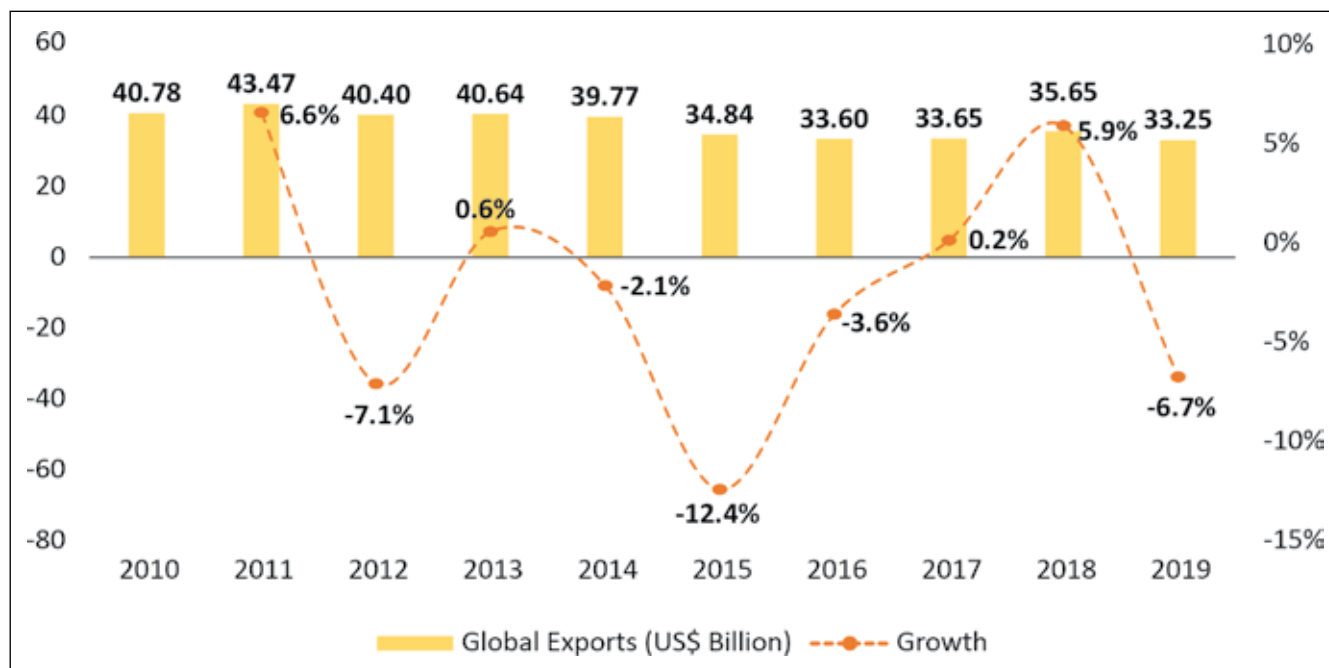
f. Publishing

UNCTAD classifies 15 items at HS 6-digit level under the publishing segment of creative goods industry. These 15 items are divided into three sub-segments, namely, books (4 items), newspaper (3 items), and other printed matter (8 items).

Global Trade

The global exports of publishing were recorded at US\$ 33.3 billion in 2019, down from US\$ 40.8 billion in 2010. During this period, the global exports of publishing decreased at an average rate of (-) 2.1%, annually.

Figure 45: Global Exports of Publishing Goods



Source: ITC Trade Map; India Exim Bank Research

It is observed that the top exported item (HS 490199³⁰) under the publishing segment, alone contributed to almost 43% of the global publishing exports in 2019. The share of this item was 33.6% in 2010. The top three items together accounted for almost 70% of the global publishing goods exports in 2019.

Table 20: Items of Publishing Goods Exported by the World at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
490199	Printed books, brochures and similar printed matter (excluding those in single sheets; dictionaries, encyclopaedias, periodicals and publications which are essentially devoted to advertising)	Books	13696.9	14252.6	33.6%	42.9%	0.5%
491110	Trade advertising material, commercial catalogues and the like	Other printed matter	6560.3	4497.6	16.1%	13.5%	-4.0%
480100	Newsprint as specified in Note 4 to chapter 48, in rolls of a width > 36 cm or in square or rectangular sheets with one side > 36 cm and the other side > 15 cm in the unfolded state	Newspaper	7791.6	4422.1	19.1%	13.3%	-5.4%
490290	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material (excluding those appearing at least four times a week)	Newspaper	5520.2	2876.9	13.5%	8.7%	-6.6%
490110	Printed books, brochures and similar printed matter, in single sheets, whether or not folded (excluding periodicals and publications which are essentially devoted to advertising)	Books	2366.7	2333.8	5.8%	7.0%	0.4%
490900	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements, whether or not illustrated, with or without envelopes or trimmings	Other printed matter	1180.4	1442.3	2.9%	4.3%	2.4%
490300	Children's picture, drawing or colouring books	Books	1046.5	1273.5	2.6%	3.8%	2.5%

³⁰ Printed books, brochures and similar printed matter (excluding those in single sheets; dictionaries, encyclopaedias, periodicals and publications which are essentially devoted to advertising)

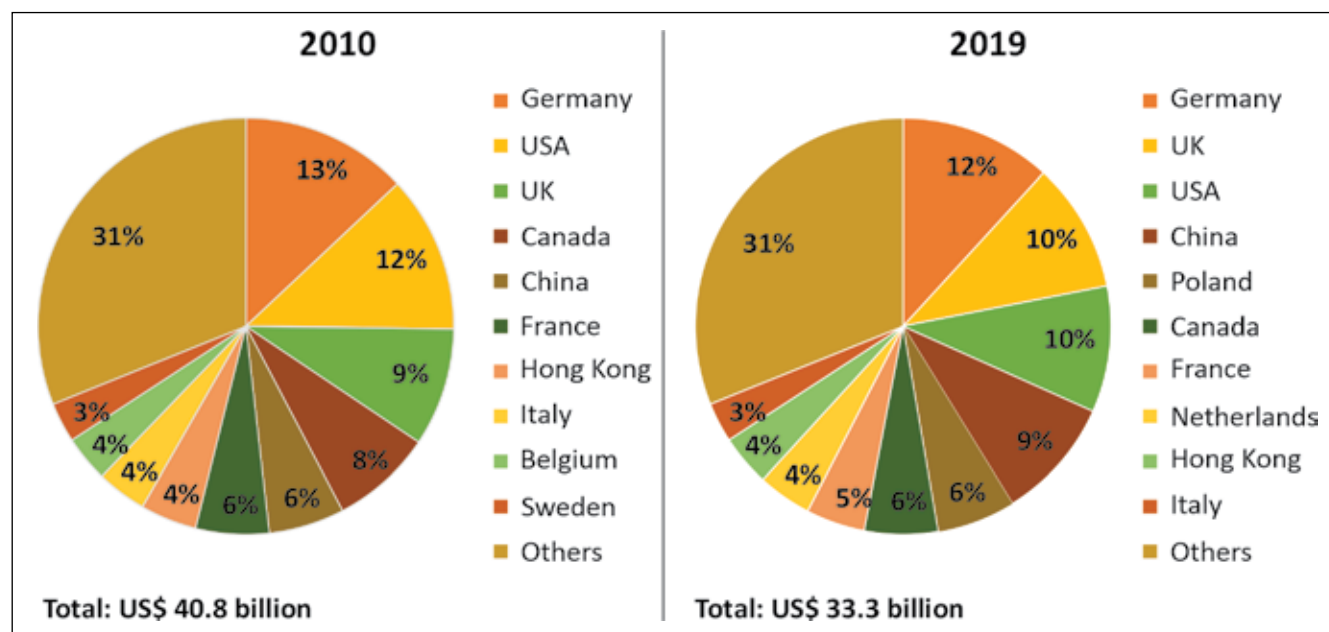
HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
490890	Transfers “decalcomanias” (excluding vitrifiable)	Other printed matter	1057.0	1033.8	2.6%	3.1%	-0.1%
491000	Calendars of any kinds, printed, incl. calendars blocks	Other printed matter	462.3	470.4	1.1%	1.4%	0.6%
490210	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material, appearing at least four times a week	Newspaper	461.4	227.4	1.1%	0.7%	-7.3%
490191	Dictionaries and encyclopaedias, and serial instalments thereof	Books	230.7	145.9	0.6%	0.4%	-4.7%
490599	Maps and hydrographic or similar charts of all kinds, incl. atlases, wall maps and topographical plans, printed (excluding those in book form, and maps, plans and globes, in relief)	Other printed matter	180.2	93.5	0.4%	0.3%	-6.7%
490810	Transfers “decalcomanias”, vitrifiable	Other printed matter	121.3	83.8	0.3%	0.3%	1.9%
490591	Maps and hydrographic or similar charts of all kinds, incl. atlases and topographical plans, printed and in book form (excluding globes, and maps and plans, in relief)	Other printed matter	57.7	49.2	0.1%	0.1%	0.4%
490510	Globes, printed (excluding relief globes)	Other printed matter	42.5	47.4	0.1%	0.1%	3.8%
Total			40775.6	33250.3	100.0%	100.0%	-2.1%

Source: ITC Trade Map; India Exim Bank Research

Within the publishing goods segment, over 54% of the exports were from books in 2019, up from 42.5% in 2010. The share of newspapers declined from 33.8% in 2010 to 22.6% in 2019.

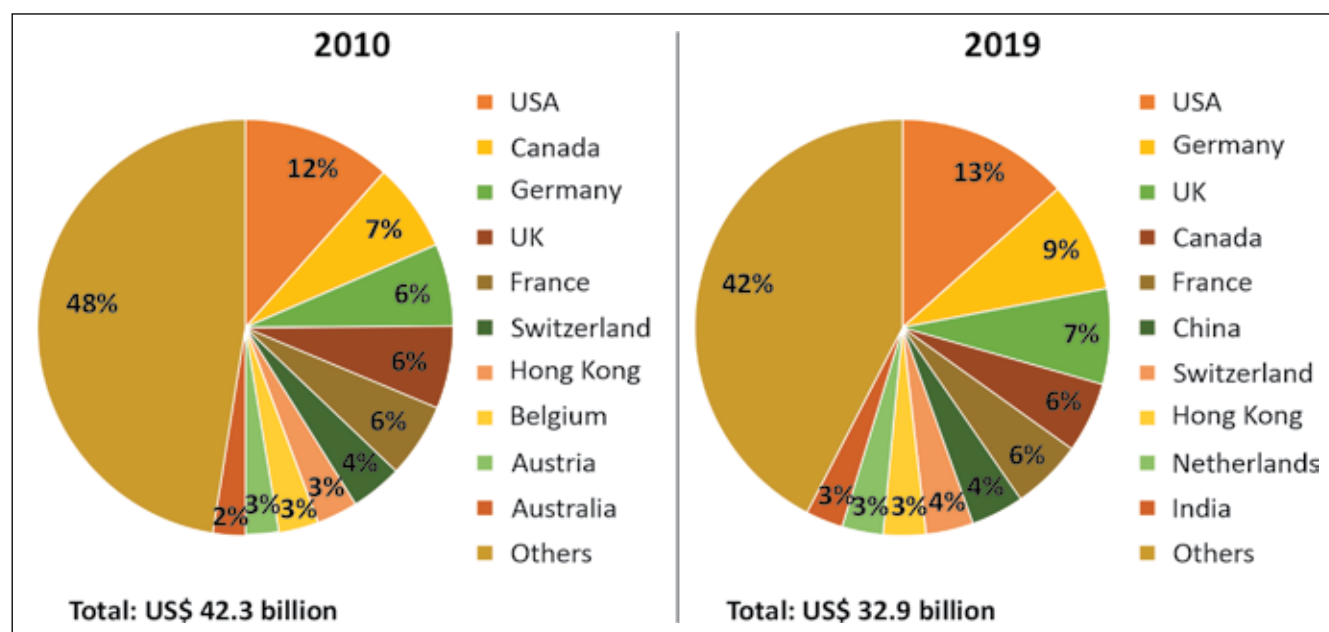
In terms of the major exporters, Germany was the largest global exporter for the publishing segment with a share of 11.8% in 2019. This was followed by the UK (10.1%), and the USA (9.8%). With respect to the importers, the USA contributed to more than 13% of the global publishing imports in 2019. China, which was not in the top ten importers of the world in 2010, was the sixth largest importer in 2019 with a share of over 4%.

Figure 46: Major Global Exporters of Publishing Goods



Source: ITC Trade Map; India Exim Bank Research

Figure 47: Major Global Importers of Publishing Goods

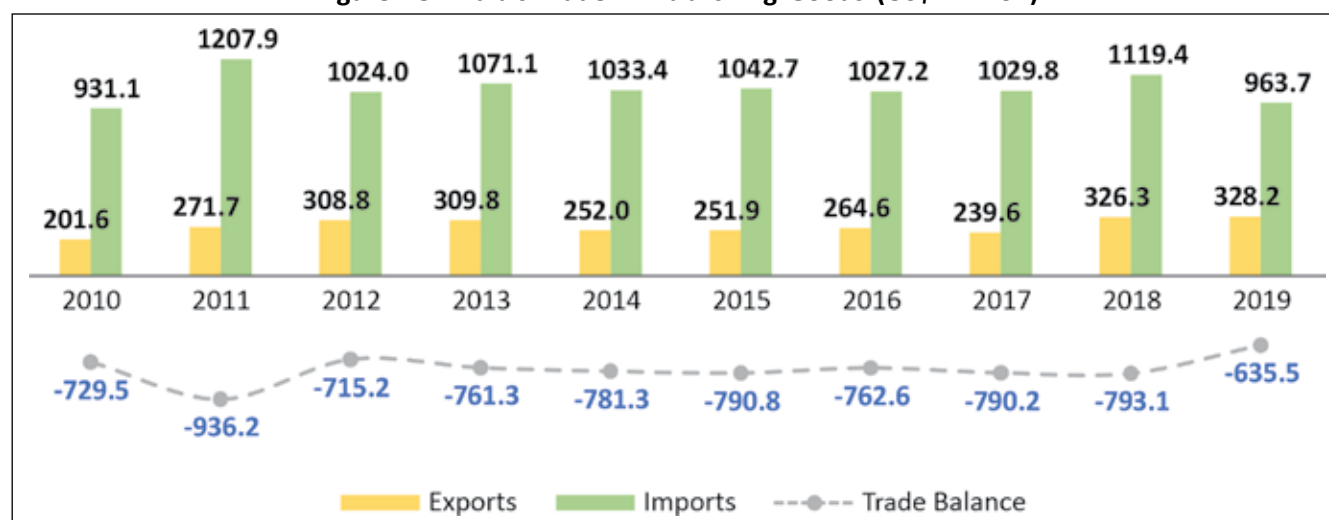


Source: ITC Trade Map; India Exim Bank Research

India

India, in its trade of publishing goods segment, registered a deficit in 2019, amounting to (-) US\$ 635.5 million, down from (-) US\$ 729.5 million in 2010. During this period, that is from 2010 to 2019, while the exports recorded an AAGR of 6.9%, the imports registered an AAGR of just above 1% for the publishing goods segment. It may also be noted that India's share in the global exports of publishing goods increased from 0.5% in 2010 to 1% in 2019.

Figure 48: India's Trade in Publishing Goods (US\$ Million)



Source: ITC Trade Map; India Exim Bank Research

At HS 6-digit level, India's top exported items under the publishing goods segment in 2019 was HS 490110³¹. This item alone contributed to 72.6% of India's publishing exports in 2019, registering an AAGR of 7.3%, during 2010 to 2019. Further, on the imports side, the top imported item had a much larger share than the top exported item. India's top imported item under the publishing goods segment in 2019 was HS 480100³², with a share of over 80% in 2019.

Table 21: India's Exports of Publishing Goods at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
490110	Printed books, brochures and similar printed matter, in single sheets, whether or not folded (excluding periodicals and publications which are essentially devoted to advertising)	Books	142.4	238.2	70.6%	72.6%	7.3%
490300	Children's picture, drawing or colouring books	Books	2.5	22.3	1.3%	6.8%	31.8%
490199	Printed books, brochures and similar printed matter (excluding those in single sheets; dictionaries, encyclopaedias, periodicals and publications which are essentially devoted to advertising)	Books	23.0	18.1	11.4%	5.5%	7.4%
491110	Trade advertising material, commercial catalogues and the like	Other printed matter	7.8	15.9	3.9%	4.9%	12.8%

³¹ Printed books, brochures and similar printed matter, in single sheets, whether or not folded (excluding periodicals and publications which are essentially devoted to advertising)

³² Newsprint as specified in Note 4 to chapter 48, in rolls of a width > 36 cm or in square or rectangular sheets with one side > 36 cm and the other side > 15 cm in the unfolded state

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
480100	Newsprint as specified in Note 4 to chapter 48, in rolls of a width > 36 cm or in square or rectangular sheets with one side > 36 cm and the other side > 15 cm in the unfolded state	Newspaper	7.0	9.3	3.5%	2.8%	33.4%
490900	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements	Other printed matter	5.2	8.3	2.6%	2.5%	6.7%
490510	Globes, printed (excluding relief globes)	Other printed matter	0.7	6.3	0.3%	1.9%	185.3%
491000	Calendars of any kinds, printed, incl. calendars blocks	Other printed matter	3.6	5.0	1.8%	1.5%	8.1%
490290	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material (excluding those appearing at least four times a week)	Newspaper	4.8	1.7	2.4%	0.5%	-10.1%
490890	Transfers “decalcomanias” (excluding vitrifiable)	Other printed matter	0.3	1.2	0.1%	0.4%	22.8%
490191	Dictionaries and encyclopaedias, and serial instalments thereof	Books	0.9	0.7	0.4%	0.2%	31.8%
490210	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material, appearing at least four times a week	Newspaper	1.8	0.7	0.9%	0.2%	-8.3%
490599	Maps and hydrographic or similar charts of all kinds, incl. atlases, wall maps and topographical plans, printed (excluding those in book form, and maps, plans and globes, in relief)	Other printed matter	0.9	0.5	0.4%	0.1%	8.1%
490810	Transfers “decalcomanias”, vitrifiable	Other printed matter	0.5	0.1	0.3%	0.04%	8.5%
490591	Maps and hydrographic or similar charts of all kinds, incl. atlases and topographical plans, printed and in book form (excluding globes, and maps and plans, in relief)	Other printed matter	0.2	0.04	0.1%	0.01%	389.9%
Total			201.6	328.2	100.0%	100.0%	6.9%

Source: ITC Trade Map; India Exim Bank Research

Table 22: India's Imports of Publishing Goods at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
480100	Newsprint as specified in Note 4 to chapter 48, in rolls of a width > 36 cm or in square or rectangular sheets with one side > 36 cm and the other side > 15 cm in the unfolded state	Newspaper	771.5	774.7	82.9%	80.4%	1.0%
490199	Printed books, brochures and similar printed matter (excluding those in single sheets; dictionaries, encyclopaedias, periodicals and publications which are essentially devoted to advertising)	Books	95.3	79.2	10.2%	8.2%	1.5%
490110	Printed books, brochures and similar printed matter, in single sheets, whether or not folded (excluding periodicals and publications which are essentially devoted to advertising)	Books	43.4	68.5	4.7%	7.1%	6.9%
491110	Trade advertising material, commercial catalogues and the like	Other printed matter	8.4	13.8	0.9%	1.4%	6.9%
490890	Transfers "decalcomanias" (excluding vitrifiable)	Other printed matter	3.3	10.4	0.4%	1.1%	16.2%
490599	Maps and hydrographic or similar charts of all kinds, incl. atlases, wall maps and topographical plans, printed (excluding those in book form, and maps, plans and globes, in relief)	Other printed matter	1.8	5.6	0.2%	0.6%	21.8%
490290	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material (excluding those appearing at least four times a week)	Newspaper	1.9	4.6	0.2%	0.5%	12.3%

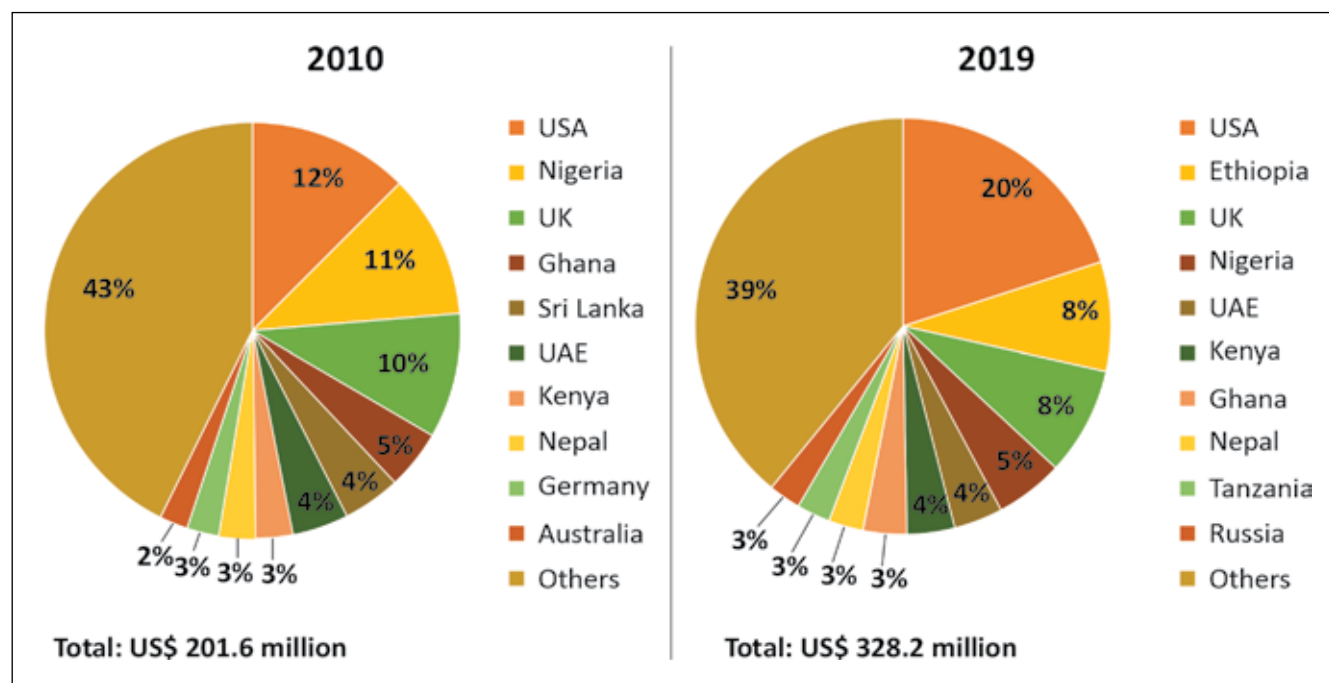
HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
490810	Transfers "decalcomanias", vitrifiable	Other printed matter	1.7	2.4	0.2%	0.2%	7.5%
490300	Children's picture, drawing or colouring books	Books	0.5	2.3	0.1%	0.2%	24.0%
491000	Calendars of any kinds, printed, incl. calendars blocks	Other printed matter	0.8	0.8	0.1%	0.1%	2.0%
490210	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material, appearing at least four times a week	Newspaper	0.3	0.7	0.0%	0.1%	21.2%
490510	Globes, printed (excluding relief globes)	Other printed matter	0.0	0.5	0.0%	0.1%	231.7%
490900	Printed or illustrated postcards; printed cards bearing personal greetings, messages or announcements	Other printed matter	0.18	0.3	0.0%	0.0%	12.5%
490191	Dictionaries and encyclopaedias, and serial instalments thereof	Books	1.85	0.02	0.2%	0.0%	141.6%
490591	Maps and hydrographic or similar charts of all kinds, incl. atlases and topographical plans, printed and in book form (excluding globes, and maps and plans, in relief)	Other printed matter	0.02	0.0	0.0%	0.0%	-
Total			931.1	963.7	100.0%	100.0%	1.1%

Source: ITC Trade Map; India Exim Bank Research

A sub-segment analysis shows that while the item 'books' contributed to over 85% of publishing exports from India in 2019, the item 'newspaper' contributed to over 80% of imports, in the same year.

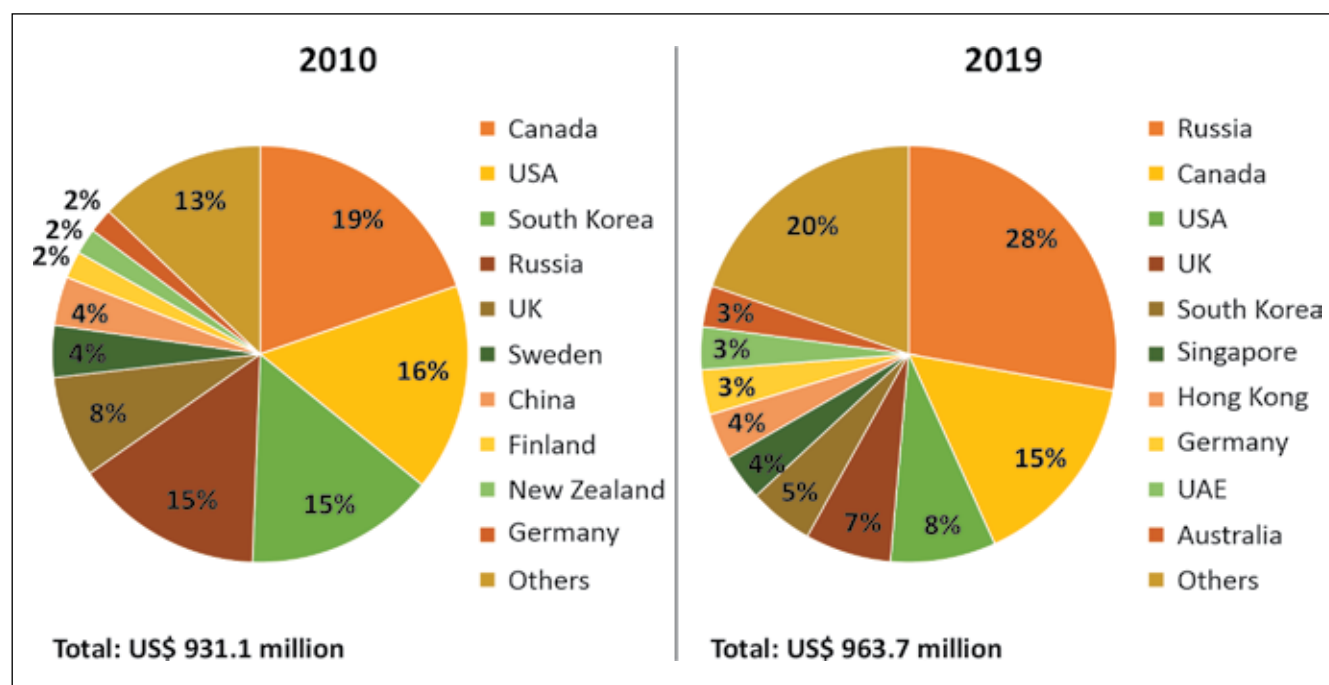
With respect to the top export destinations, the USA contributed to one-fifth of India's exports of publishing goods in 2019, followed by Ethiopia at 8.5%. While the top five export destinations accounted for 46% of India's publishing goods exports in 2019, the top five import sources contributed to over 63% of India's publishing goods imports in 2019, with Russia alone accounting for 28% of imports.

Figure 49: Major Export Destinations of Publishing Goods from India



Source: ITC Trade Map; India Exim Bank Research

Figure 50: Major Import Sources of Publishing Goods for India



Source: ITC Trade Map; India Exim Bank Research

India's Export Competitiveness in Publishing

The analysis shows that India has competitiveness in two items, namely, HS 490110 (Printed books, brochures and similar printed matter, in single sheets, whether or not folded (excluding periodicals and publications which

are essentially devoted to advertising)), and HS 490510 (Globes, printed (excluding relief globes)) in all the three years, viz., 2010, 2015, and 2019. On another item, HS 490300 (Children's picture, drawing or colouring books), India was not having export competitiveness in 2010 and 2015, but improved its competitiveness in 2019. Overall, in the publishing goods segment, India's export competitiveness was insignificant in all the three years, viz., 2010, 2015, and 2019. The detailed table is provided in annexure with colour coding where negative NRCA values are in red and positive are in green.

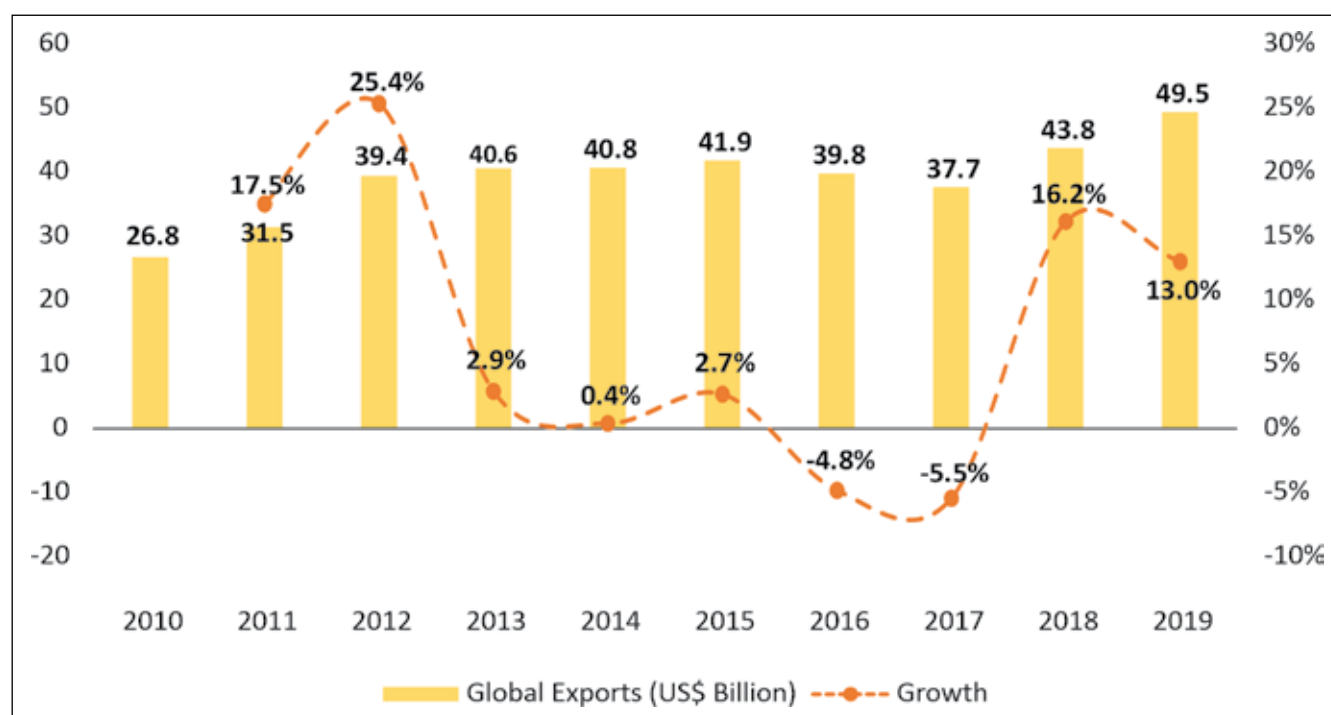
g. Visual arts

Under the visual arts segment of creative goods industry, the UNCTAD provides a list of 16 items at HS 6-digit level. These 16 items are divided into four sub-segments, namely, antiques (3 items), painting (3 items), photography (3 items), and sculpture (7 items).

Global Trade

The global exports of visual arts goods were recorded at US\$ 49.5 billion in 2019, up from US\$ 26.8 billion in 2010. During this period, the global exports of visual arts grew at an average rate of 7.5%, annually. Only in two years, viz., 2016 and 2017, the segment observed negative growth rates in exports.

Figure 51: Global Exports of Visual Arts Goods



Source: ITC Trade Map; India Exim Bank Research

Almost 53% of global exports in visual arts goods in 2019 were from a single item, HS 970110 (Paintings, e.g. oil paintings, watercolours and pastels, and drawings executed entirely by hand). The item recorded a double-digit AAGR during 2010 to 2019. HS 970200 (Original engravings, prints and lithographs) is another item which has recorded a double-digit AAGR, during the above-mentioned period.

Table 23: Items of Visual Arts Goods Exported by the World at HS 6-digit (US\$ Million)

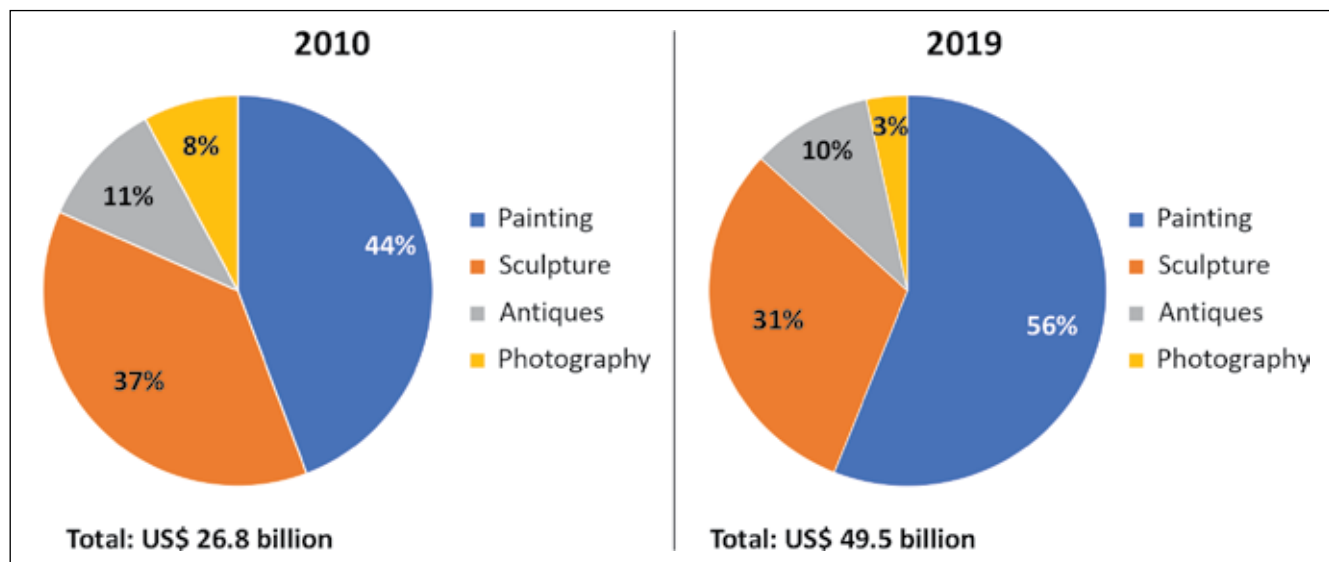
HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
970110	Paintings, e.g., oil paintings, watercolours and pastels, and drawings executed entirely by hand	Painting	10965.4	26138.8	41.0%	52.9%	10.5%
970300	Original sculptures and statuary, in any material	Sculpture	3065.8	5208.8	11.5%	10.5%	6.4%
392640	Statuettes and other ornamental articles, of plastics	Sculpture	2848.1	4283.6	10.6%	8.7%	8.9%
970600	Antiques of > 100 years old	Antiques	1931.2	3300.5	7.2%	6.7%	6.8%
830629	Statuettes and other ornaments, of base metal, not plated with precious metal (excluding works of art, collectors' pieces and antiques)	Sculpture	1206.6	1941.1	4.5%	3.9%	6.1%
491191	Pictures, prints and photographs, n.e.s.	Photography	1087.6	1645.0	4.1%	3.3%	5.0%
970500	Collections and collector's pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, palaeontological, ethnographic or numismatic interest	Antiques	699.1	1464.6	2.6%	3.0%	9.5%
691310	Statuettes and other ornamental articles of porcelain or china, n.e.s.	Sculpture	1120.3	1376.0	4.2%	2.8%	6.4%
442010	Statuettes and other ornaments, of wood (excluding wood marquetry and inlaid wood)	Sculpture	597.9	1249.3	2.2%	2.5%	8.7%

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
691390	Statuettes and other ornamental ceramic articles, n.e.s. (excluding of porcelain or china)	Sculpture	1089.0	1105.2	4.1%	2.2%	0.8%
970200	Original engravings, prints and lithographs	Painting	325.3	800.2	1.2%	1.6%	11.8%
970190	Collages and similar decorative plaques	Painting	557.9	757.3	2.1%	1.5%	8.6%
970400	Postage or revenue stamps, stamp-postmarks, first-day covers, postal stationery, stamped paper and the like	Antiques	181.1	111.7	0.7%	0.2%	-4.1%
830621	Statuettes and other ornaments, of base metal, plated with precious metal (excluding works of art, collectors' pieces and antiques)	Sculpture	69.0	68.8	0.3%	0.1%	1.5%
370590	Photographic plates and film, exposed and developed (excluding products made of paper, paperboard or textiles, cinematographic film and film for offset reproduction)	Photography	1004.8	0.5	3.8%	0.0%	-7.1%
370510	Photographic plates and film, exposed and developed, for offset reproduction (excluding products made of paper, paperboard or textiles and ready-to-use plates)	Photography	20.08	2.2%	0.1%	0.0%	-28.9%
Total			26769.2	49451.4	100.0%	100.0%	7.5%

Source: ITC Trade Map; India Exim Bank Research

Within the visual arts goods segment, 56% of the exports were from 'painting' in 2019, up from 44.3% in 2010. The share of 'sculptures' declined from 37.3% in 2010 to 30.8% in 2019.

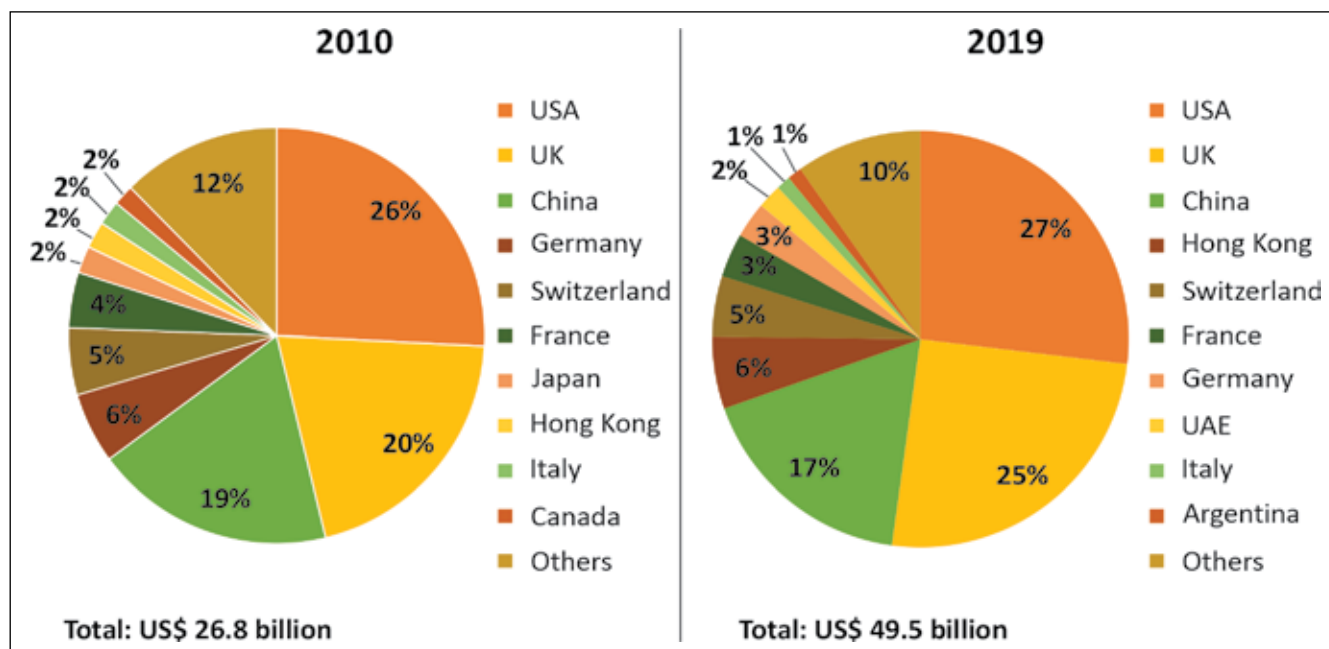
Figure 52: Share of Sub-Segments in Global Visual Arts Goods Exports



Source: ITC Trade Map; India Exim Bank Research

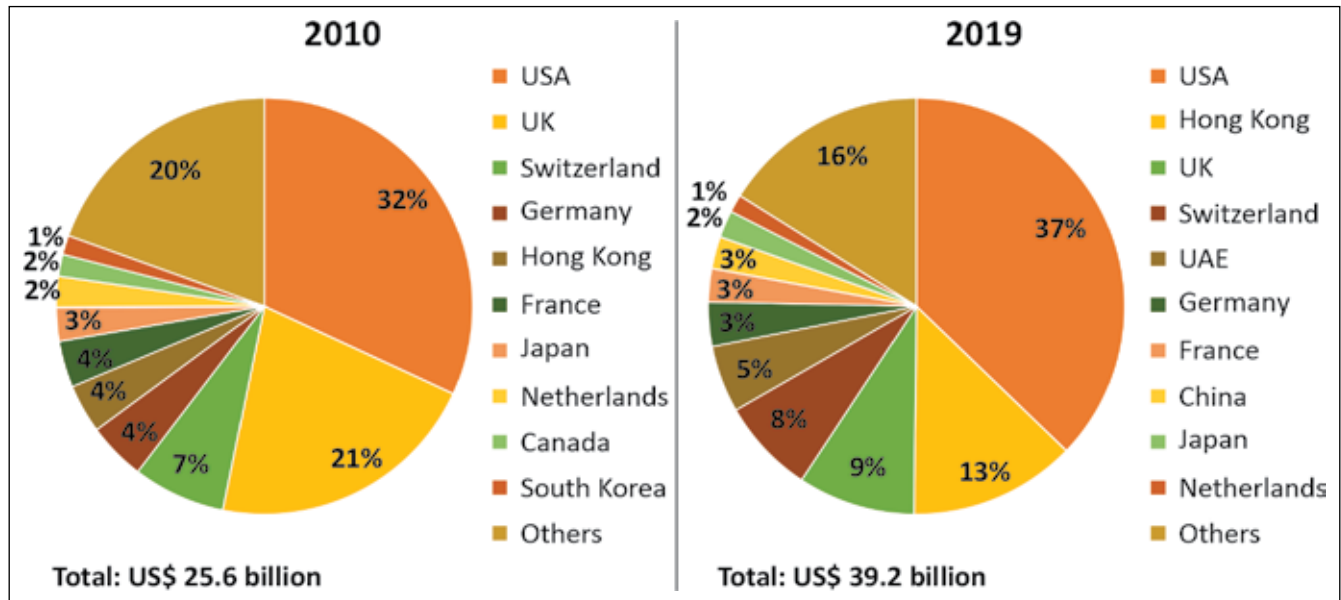
In terms of the major exporters, the USA and the UK were the largest global exporters of visual arts goods with each of them catering to a quarter of the world exports. The USA had even a bigger share in the context of imports. The share of the USA in the global visual arts goods imports increased from 31.9% in 2010 to 37.2% in 2019. It was followed by Hong Kong which had a share of 13% in 2019, up from 3.8% in 2010.

Figure 53: Major Global Exporters of Visual Arts Goods



Source: ITC Trade Map; India Exim Bank Research

Figure 54: Major Global Importers of Visual Arts Goods

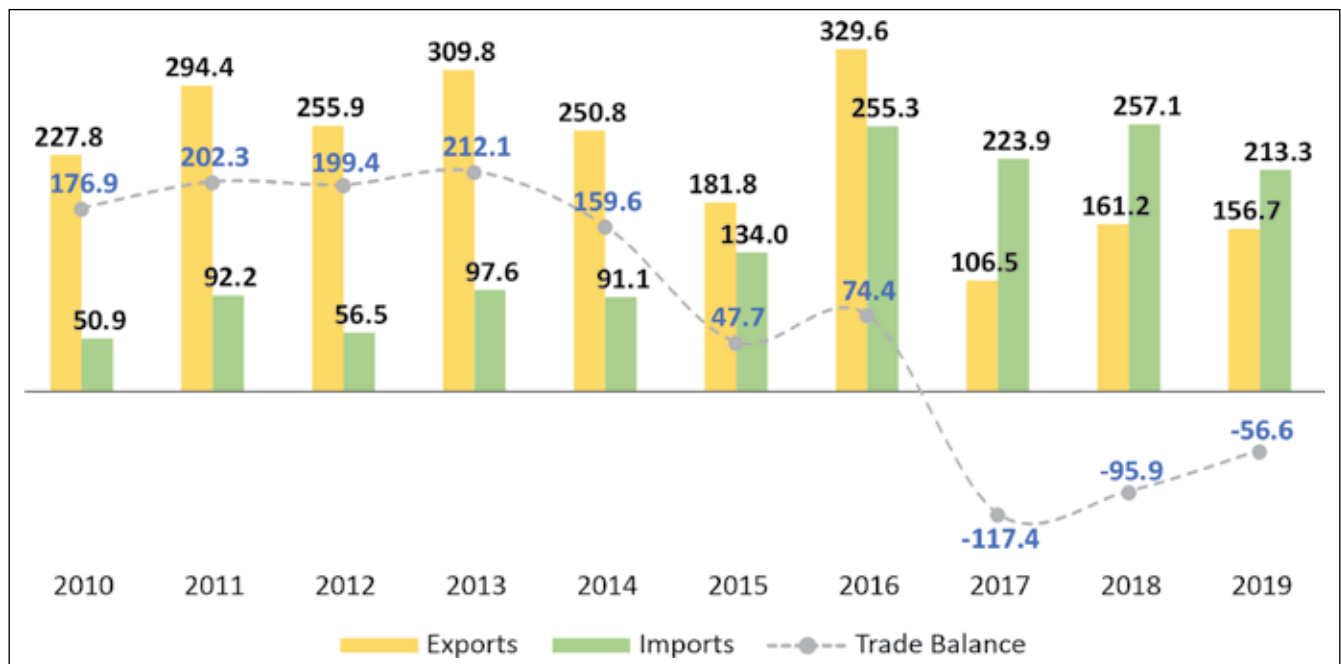


Source: ITC Trade Map; India Exim Bank Research

India

India registered a deficit in the trade of visual arts goods in 2019. While India's exports in 2019 were US\$ 156.7 million in 2019, the imports were US\$ 213.3 million, thereby a deficit of over (-) US\$ 50 million. However, it is important to note that during 2010 to 2016, India witnessed trade surplus in the visual arts goods.

Figure 55: India's Trade in Visual Arts Goods (US\$ Million)



Source: ITC Trade Map; India Exim Bank Research

The top five items at HS 6-digit level under visual arts goods segment contributed to 87.6% of India's total visual arts goods exports in 2019, with the top two items, viz., HS 970110 (Paintings, e.g., oil paintings, watercolours and pastels, and drawings executed entirely by hand) and HS 970300 (Original sculptures and statuary, in any material) together accounting for two-thirds of India's total exports of visual arts goods. On the imports side as well, the top two items contributed to almost two-thirds of India's visual arts goods imports in 2019.

Table 24: India's Visual Arts Goods Exports at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
970110	Paintings, e.g., oil paintings, watercolours and pastels, and drawings executed entirely by hand	Painting	29.6	70.4	13.0%	44.9%	27.0%
970300	Original sculptures and statuary, in any material	Sculpture	34.7	33.2	15.2%	21.2%	59.8%
970600	Antiques of >100 years old	Antiques	0.002	17.8	0.0%	11.4%	-
392640	Statuettes and other ornamental articles, of plastics	Sculpture	4.3	9.8	1.9%	6.3%	50.5%
491191	Pictures, prints, and photographs, n.e.s.	Photography	0.3	6.0	0.1%	3.9%	74.6%
970190	Collages and similar decorative plaques	Painting	155.1	5.8	68.1%	3.7%	-21.2%
830629	Statuettes and other ornaments, of base metal, not plated with precious metal (excluding works of art, collectors' pieces, and antiques)	Sculpture	0.7	4.5	0.3%	2.8%	28.1%
970200	Original engravings, prints and lithographs	Painting	0.02	3.4	0.0%	2.2%	313.1%
442010	Statuettes and other ornaments, of wood (excluding wood marquetry and inlaid wood)	Sculpture	1.7	3.2	0.7%	2.0%	12.6%
830621	Statuettes and other ornaments, of base metal, plated with precious metal (excluding works of art, collectors' pieces, and antiques)	Sculpture	0.6	1.6	0.3%	1.0%	23.5%

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
691390	Statuettes and other ornamental ceramic articles, n.e.s. (excluding of porcelain or china)	Sculpture	0.5	0.7	0.2%	0.4%	9.1%
970500	Collections and collector's pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, palaeontological, ethnographic, or numismatic interest	Antiques	0.1	0.2	0.0%	0.1%	1926.8%
691310	Statuettes and other ornamental articles of porcelain or china, n.e.s.	Sculpture	0.0	0.04	0.0%	0.0%	458.2%*
970400	Postage or revenue stamps, stamp- postmarks, first-day covers, postal stationery, stamped paper, and the like	Antiques	0.1	0.03	0.0%	0.02%	40.6%
370510	Photographic plates and film, exposed and developed, for offset reproduction (excluding products made of paper, paperboard or textiles and ready-to- use plates)	Photography	0.0	0.0	0.0%	0.00%	-
370590	Photographic plates and film, exposed and developed (excluding products made of paper, paperboard or textiles, cinematographic film, and film for offset reproduction)	Photography	0.05	0.0	0.0%	0.0%	26.8%**
Total			227.8	156.7	100%	100%	5.9%

*AAGR calculated during 2012 to 2019; **AAGR calculated during 2010 to 2016

Source: ITC Trade Map; India Exim Bank Research

Table 25: India's Visual Arts Goods Imports at HS 6-digit (US\$ Million)

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
970110	Paintings, e.g., oil paintings, watercolours and pastels, and drawings executed entirely by hand	Painting	21.5	81.7	42.2%	38.3%	53.1%
392640	Statuettes and other ornamental articles, of plastics	Sculpture	10.9	56.2	21.5%	26.3%	22.8%
970600	Antiques of > 100 years old	Antiques	1.9	29.2	3.8%	13.7%	2814.8%
970300	Original sculptures and statuary, in any material	Sculpture	5.7	25.2	11.1%	11.8%	173.1%
691390	Statuettes and other ornamental ceramic articles, n.e.s. (excluding of porcelain or china)	Sculpture	3.3	8.7	6.5%	4.1%	28.7%
830629	Statuettes and other ornaments, of base metal, not plated with precious metal (excluding works of art, collectors' pieces, and antiques)	Sculpture	0.9	4.4	1.8%	2.0%	37.1%
491191	Pictures, prints, and photographs, n.e.s.	Photography	1.4	2.0	2.8%	0.9%	32.9%
970190	Collages and similar decorative plaques	Painting	3.5	2.0	6.8%	0.9%	34.8%
691310	Statuettes and other ornamental articles of porcelain or china, n.e.s.	Sculpture	0.3	1.9	0.5%	0.9%	31.8%
830621	Statuettes and other ornaments, of base metal, plated with precious metal (excluding works of art, collectors' pieces, and antiques)	Sculpture	1.0	0.8	1.9%	0.4%	413.4%
442010	Statuettes and other ornaments, of wood (excluding wood marquetry and inlaid wood)	Sculpture	0.4	0.7	0.8%	0.3%	10.5%

HS Code	HS Description	Sub-segment	2010	2019	Share in 2010	Share in 2019	AAGR (2010-19)
970200	Original engravings, prints and lithographs	Painting	0.01	0.3	0.0%	0.1%	2835.6%
970400	Postage or revenue stamps, stamp- postmarks, first-day covers, postal stationery, stamped paper, and the like	Antiques	0.04	0.05	0.1%	0.0%	-
970500	Collections and collector's pieces of zoological, botanical, mineralogical, anatomical, historical, archaeological, palaeontological, ethnographic, or numismatic interest	Antiques	0.01	0.05	0.0%	0.0%	124.2%
370510	Photographic plates and film, exposed and developed, for offset reproduction (excluding products made of paper, paperboard or textiles and ready-to- use plates)	Photography	0.001	0.0	0.0%	0.0%	-
370590	Photographic plates and film, exposed and developed (excluding products made of paper, paperboard or textiles, cinematographic film, and film for offset reproduction)	Photography	0.1	0.0	0.2%	0.0%	417.7%
Total			50.9	213.3	100.0%	100.0%	25.8%

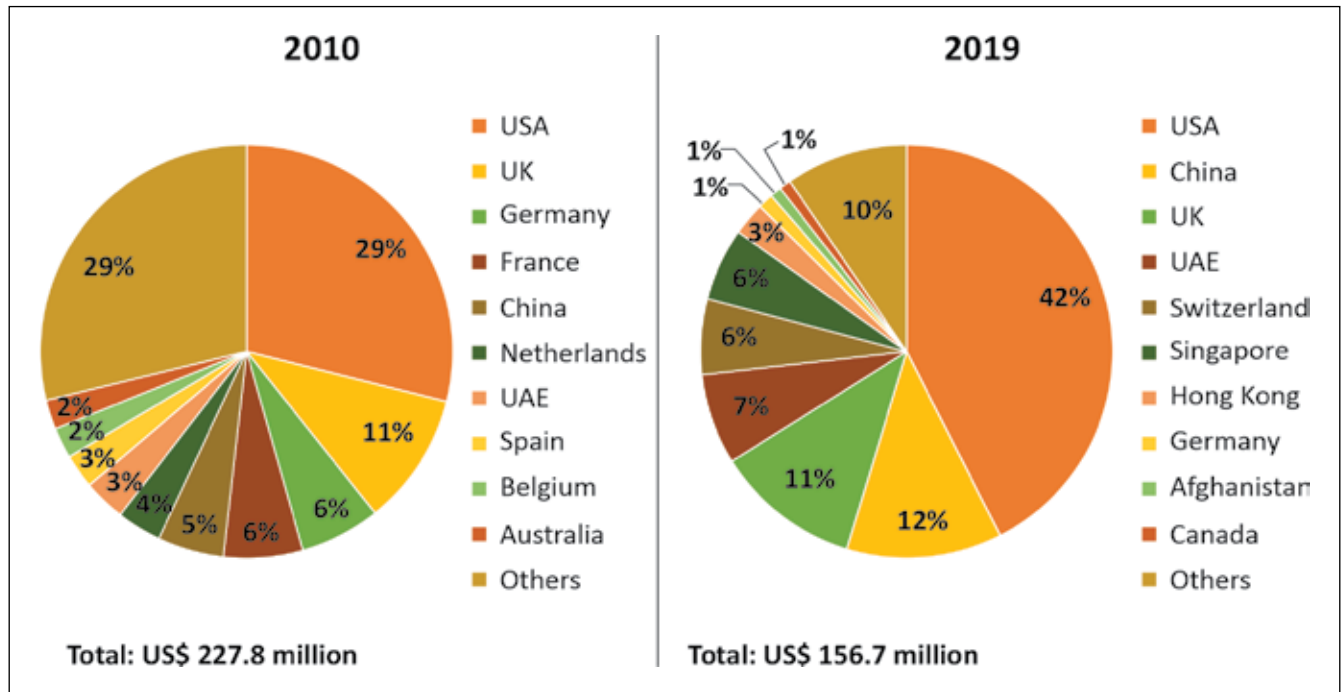
Source: ITC Trade Map; India Exim Bank Research

At the sub-segment level, over 50% of India's visual arts goods exports came from painting in 2019. However, this share was 81% in 2010. This is majorly because of the jump in the share of other sub-segments. While the share of sculptures grew from 18.7% in 2010 to 33.8% in 2019, the share of antiques grew from 0.1% to 11.6%, during 2010 to 2019.

On the imports side, the largest sub-segment was sculpture (45.9% in 2019) followed by painting (39.4%), antiques (13.7%), and photography (0.9%).

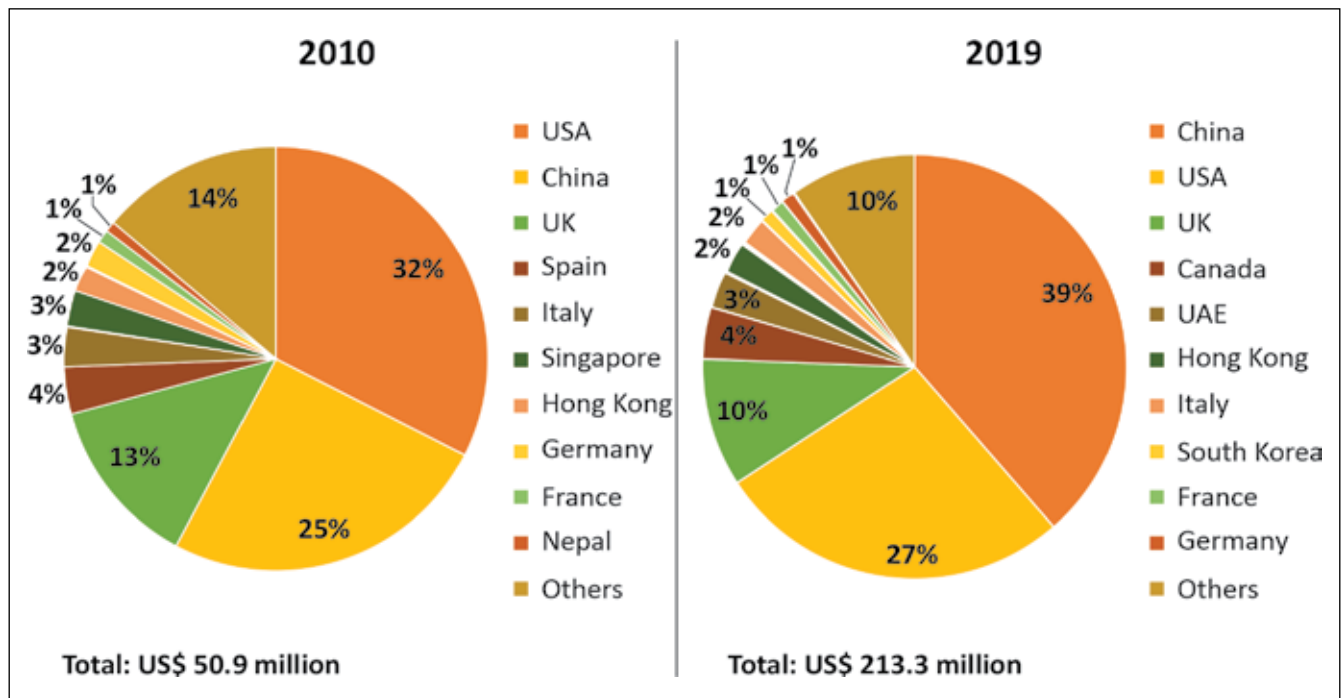
With respect to the top export destinations, the USA contributed to 42.5% of India's exports of visual arts in 2019, a gain of almost 14% from its share in 2010. A gain was also observed for China which had a share of 5.2% in 2010 and ranked fifth, jumped to second rank in 2019 with a share of 12.2%. While the top five export destinations accounted for 79% of India's visual arts goods exports in 2019, the top five import sources contributed to over 83% of India's visual arts goods imports in 2019, with China alone accounting for over 38% of imports.

Figure 56: Major Export Destinations of Visual Arts Goods from India



Source: ITC Trade Map; India Exim Bank Research

Figure 57: Major Import Sources of Visual Arts Goods for India



Source: ITC Trade Map; India Exim Bank Research

India's Export Competitiveness in Visual arts

The analysis shows that, overall, India was less competitive in the exports of visual arts goods for all the three years analysed. For the item HS 970190 (Collages and similar decorative plaques), India was considered to be competitive in 2010 and 2015, but not in 2019. For HS 830621 (Statuettes and other ornaments, of base metal, plated with precious metal (excluding works of art, collectors' pieces, and antiques), India was considered to be competitive only in 2019. The detailed table is provided in annexure with colour coding where negative NRCA values are in red and positive are in green.

2. TRADE IN CREATIVE SERVICES

Unlike the creative goods which the Study has analysed using UNCTAD classification based on 6-digit HS codes, and which enabled the Study to compare the trade performance across countries, the data for trade in creative services is not fully available as many countries do not report such data.

However, the Study relies on the UNCTAD report 'Creative Economy Outlook: Trends in International Trade in Creative Industries, 2002-2015' which has been discussed at the beginning of this chapter, to get an estimate of the international trade in the creative services.

According to the abovementioned report, which was published in 2018, a comparable data was available for 38 developed countries for the period 2011-15. The exports of creative services as a share of total exports of services from developed economies increased from 17.3% in 2011 to 18.9% in 2015. Also, the average annual growth rate of trade in creative services was recorded at 4.3% during 2011 to 2015, more than double the overall services growth rate.

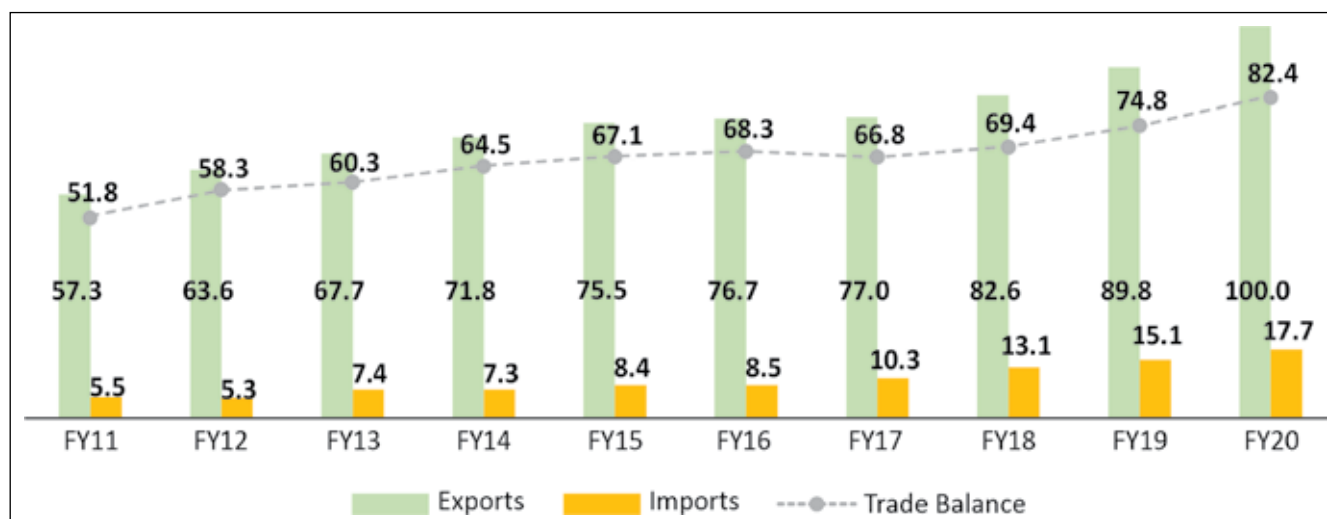
While these figures are broad estimates, they can be hugely significant in assessing the performance of creative services by the developed economies. Given the emergence of technologies such as VFX, animation, social media, e-commerce, amongst others, in the last decade, the creative services industry is expected to have a huge bearing on the performance of the developing economies as well.

India

While India is not a part of the developed countries discussed above, the UNCTAD report in its profile on India lists down a few services which can be assessed to measure the trade of creative services from India. These services are 'charges for the use of intellectual property n.i.e'; 'research and development'; 'audiovisual and related services'; 'computer services'; and 'information services'. This Study, therefore, relies on the Balance of Payments data provided by the Reserve Bank of India (RBI), to analyze the trade in creative services.

The exports of creative services from India touched US\$ 100 billion in FY20, up from US\$ 57.3 billion in FY11. The share of creative services exports in the total service exports from India was recorded at almost 47% in FY 20, up from 43.5% in FY 11. On the other hand, imports grew from US\$ 5.5 billion in FY11 to US\$ 17.7 billion in FY20. The share of creative services in the India services imports increased from 6.6% in FY 11 to 13.8% in FY20. While the exports of Indian creative services registered an AAGR of 6.5% during FY11 to FY20, the imports grew at an average rate of 14.7%, annually, during the same period. India registered a surplus in its trade in creative services. The trade surplus increased from US\$ 51.8 billion in FY11 to US\$ 82.4 billion in FY20.

Figure 58: India's Trade in Creative Services (US\$ Billion)



Source: RBI; India Exim Bank Research

Within India's exports of creative services, the highest share was of 'computer services' at 93.1% in FY20, down from 96.9% in FY11. The exports of this segment registered an AAGR of 6%, during FY11 to FY20. However, among the five segments of creative services, the AAGR for 'computer services' was the lowest at 6%. Three other segments, viz., 'Charges for the use of intellectual property n.i.e.', 'R&D services', and 'Audiovisual and related services' registered AAGR of above 20%. Given that there is a significant share of 'computer services' in the creative services exports from India, the overall creative services exports could register an AAGR of only 6.5%.

With respect to the imports, over 90% of India's creative services imports were from 'charges for the use of intellectual property n.i.e.' and 'computer services' in FY20. Both these segments had their AAGRs recorded in double digits, during FY11 to FY20.

Table 26: India's Trade in Creative Services: Segment-Wise

Exports (US\$ Million)					
Segment	FY11	FY20	Share in FY11	Share in FY20	AAGR (FY11 to FY20)
Charges ³³ for the use of intellectual property n.i.e.	192.7	934.0	0.3%	0.9%	22.7%
Computer services	55460.0	93102.2	96.9%	93.1%	6.0%
Information services	605.3	285.4	1.1%	0.3%	9.2%
Research and development services	877.9	4888.6	1.5%	4.9%	22.9%
Audiovisual and related services	117.3	834.7	0.2%	0.8%	28.3%
Total	57253.1	100044.9	100.0%	100.0%	6.5%

³³ Include: (a) charges for the use of proprietary rights (such as patents, trademarks, copyrights, industrial processes and designs including trade secrets, franchises), and (b) charges for licences to reproduce and/or distribute intellectual property embodied in produced originals or prototypes (such as copyrights on books and manuscripts, computer software, cinematographic works, and sound recordings) and related rights (such as for live performances and television/ cable/ satellite broadcast).

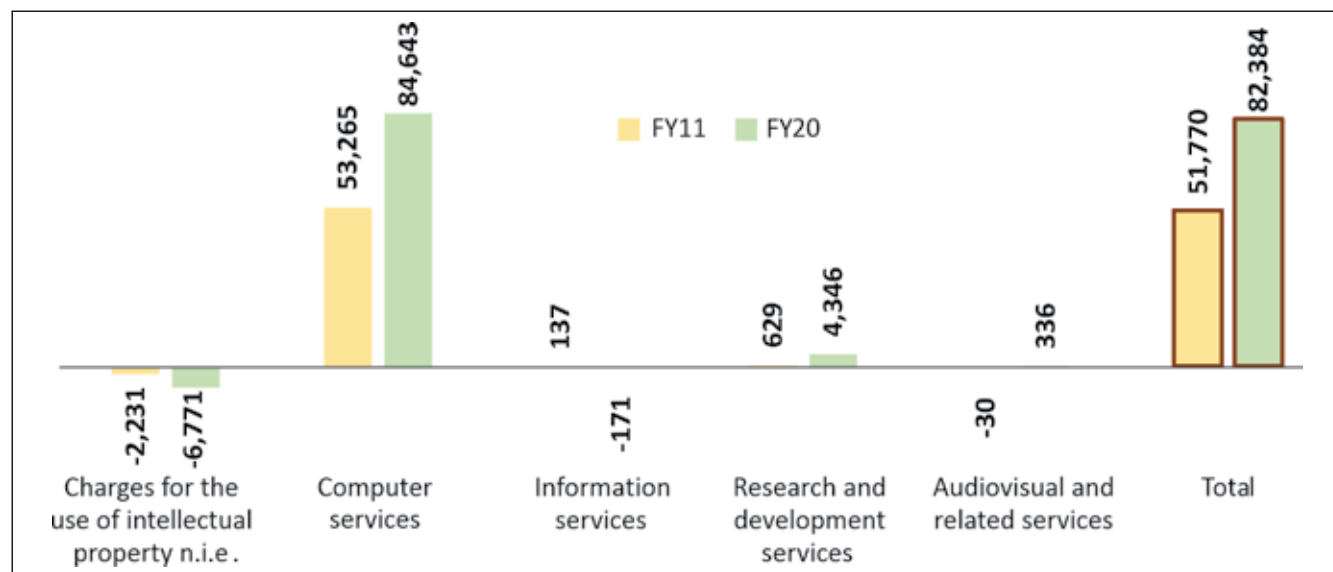
Imports (US\$ Million)					
Segment	FY11	FY20	Share in FY11	Share in FY20	AAGR (FY11 to FY20)
Charges for the use of intellectual property n.i.e.	2423.8	7704.7	44.2%	43.6%	14.5%
Computer services	2194.5	8459.3	40.0%	47.9%	21.6%
Information services	468.4	456.3	8.5%	2.6%	0.4%
Research and development services	249.0	542.6	4.5%	3.1%	9.7%
Audiovisual and related services	147.0	498.4	2.7%	2.8%	21.5%
Total	5482.7	17661.2	100.0%	100.0%	14.7%

Source: RBI; India Exim Bank Research

Further, a segment-wise analysis shows that India had the highest trade deficit for 'charges for the use of intellectual property n.i.e.' which increased from (-) US\$ 2231.1 million in FY11 to (-) US\$ 6770.6 million in FY20. India also had a deficit in trade of 'information services' in FY20. However, it was in surplus during FY11 and FY18. Similarly, 'audiovisual and related services' was in deficit in FY11 but was in surplus in FY20.

For FY21, the exports of creative services were recorded at US\$ 108 billion, while the imports were US\$ 19.7 billion, thereby the trade surplus being recorded at over US\$ 88 billion.

Figure 59: Segment-Wise Trade Balance for Creative Services (US\$ Million): FY11 and FY20



Source: RBI; India Exim Bank Research

3. KEY TAKEAWAYS

Overall, it is observed that India has a significant surplus in the trade of both creative goods and creative services. While the trade surplus in creative goods was almost US\$ 16 billion in 2019, the trade surplus in creative services was over US\$ 82 billion in FY20.

However, the above surpluses are highly concentrated. A segment-wise analysis for creative goods shows that India has surplus in the trade of only art crafts, and design goods. In fact, a huge share of design goods (87%) in the exports of creative goods is the reason for India's trade surplus in creative goods. Design goods segment had a trade surplus of over US\$ 16 billion in 2019.

Hence, there is a need for India to diversify here. Segments such as audiovisuals, new media, and publishing have significant trade deficits for India. In fact, in segments such as new media goods, there is hardly any presence of Indian companies. In new media goods, India has high trade deficits with China (- US\$ 96 million), Malaysia (- US\$ 94 million), and Singapore (- US\$ 68 million). In the audiovisuals segment, while the total trade deficit for India is US\$ 853 million, the deficit with the USA itself is US\$ 639 million.

Similarly, on the creative services, a segment-wise analysis shows that India is completely dependent on the 'computer services' for its trade surplus, though India has a deficit of over US\$ 6.5 billion in 'charge for the use of intellectual property n.i.e.', which again calls for diversification. It may be noted that as per the World Bank data, the world paid almost US\$ 439 billion as charges for intellectual property in 2019. The top importer of the same was Ireland at almost 21.5%, followed by the Netherlands (9.8%) and the US (9.7%). India's share was 1.8% and stood at 13th rank in 2019.



Emerging Technologies in the Creative Industry

The creative industries have been quite dynamic in the last two to three decades. The way in which creative industries operate has seen consistent technological upgradations. The world saw the advent of internet, CDs, DVDs, digital payments, streaming services, and the latest, digital currencies such as bitcoin, in the last few years. Some of them have not found a perfect alternative, while some such as CDs and DVDs have seen a downfall. This chapter evaluates the three recent technologies, namely, Artificial Intelligence, Extended Reality, and the Blockchain, on how these technologies are playing increasingly important role in the functioning of creative industries especially the services segment, and how they are expected to further change the dynamics.

Artificial Intelligence and Machine Learning

The International Business Machines (IBM) Corporation defines the artificial intelligence (AI) as any human like intelligence exhibited by a computer, robot, or other machine. It basically is mimicking the capabilities of humans by learning from examples and experience, recognizing objects, understanding, and responding to language, making decisions, solving problems – and combining these and other capabilities to perform functions which a human might perform, such as greeting a hotel guest or driving a car.

The definitions mentioned above reflect the fact that how powerful a tool can the AI be. And it has grown more powerful every day since its invention which can be traced back to 1950 when Alan Turing published a paper titled 'Computing Machinery and Intelligence'.

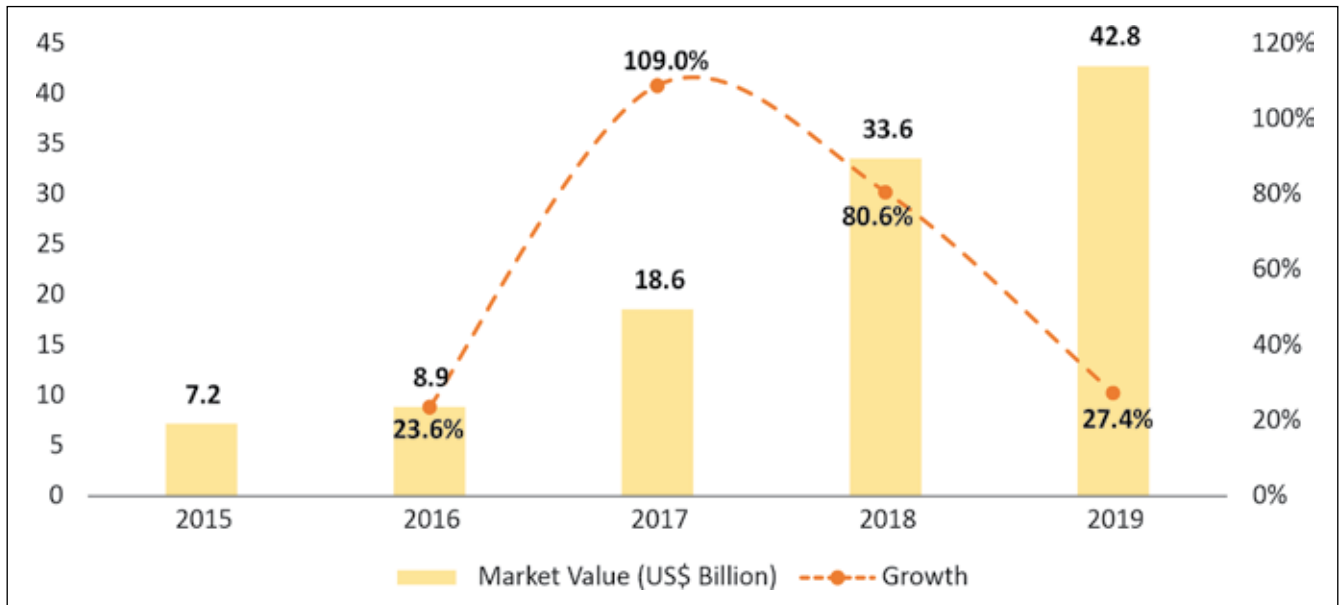
However, in the commercial sense, AI is increasingly being explored in the modern times. The market value of AI industry was recorded at US\$ 7.2 billion in 2015. It increased almost six times by 2019 and was valued at US\$ 42.8 billion³⁴. The AAGR recorded during this period was 60.2%.

Geographically, most of the value arises from North America which had a share of almost 51% in 2019 in the market value of AI. This was followed by Asia Pacific at 28%. Further, it is estimated that the value could reach close to US\$ 200 billion by 2024.

While the contribution of AI to the creative economy is difficult to assess in numbers because of the diversity of the creative sector, it is increasingly becoming clear that AI is significantly shaping the creative industry and is expected to have even a larger impact in the coming years.

³⁴ Global Artificial Intelligence, October 2020, MarketLine Industry Profile

Figure 60: Market Value of Artificial Intelligence Industry



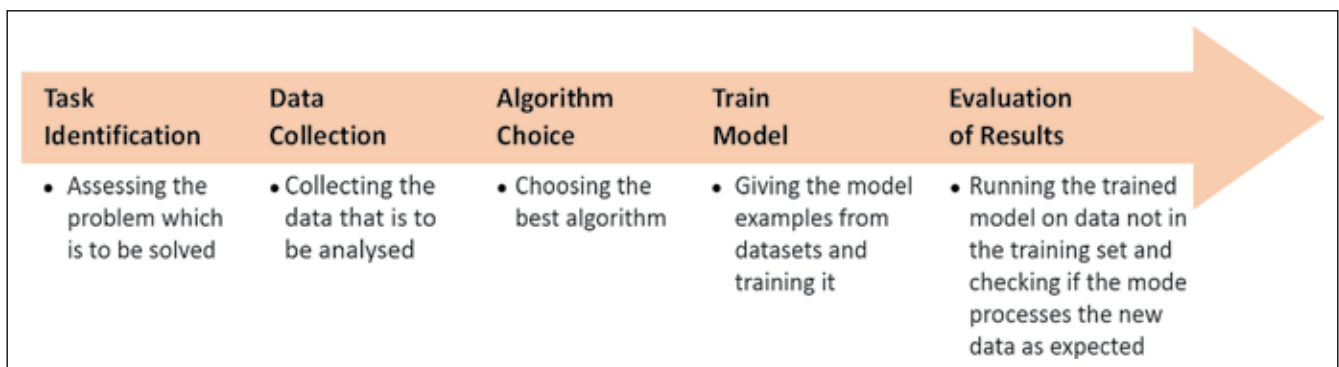
Source: MarketLine

The success of AI in the creative industries lies on the concept of machine learning (ML) systems. ML is basically an application of AI where the system develops the ability to learn and improve continuously through the input data, which depends on the ML algorithm.

While there are various general machine learning frameworks in the market such as RapidLib, Theano, Keras, Google ML Kit, CUDA etc., some frameworks are also designed for specific tasks.

For instance, an ML framework named ‘MIMIC (Musically Intelligent Machines Interacting Creatively)’ has a built-in audio engine, machine learning, and machine listening tools that makes it easy for creative coders to get started using these techniques in their own artistic projects. The platform also includes various examples of how to integrate external machine learning systems for sound, music, and art making. These examples can be worked and further developed by the users of the platform³⁵.

Exhibit 2: General Workflow of a Machine Learning Project



Source: Future Learn

³⁵ Mimicproject.com

Another framework named 'Wekinator' allows the users to use ML to build new musical instruments, gestural game controllers, computer vision or computer listening systems, etc. For instance, a user could create mappings between gesture and computer sounds and control a drum machine using the webcam.

Overall, the AI and ML are increasingly being used in all sorts of creative industries. In the entertainment industry, AI has been used to create stories by going through millions of data points. For instance, a short film titled 'Sunspring' in 2016 was entirely written by an AI bot named 'Benjamin' using neural networks³⁶. The AI bot 'Benjamin' was trained to write the screenplay by feeding it with a corpus of dozens of sci-fi screenplays found online - mostly movies from the 1980s and 1990s. Similarly, the trailer of the 2016 horror film 'Morgan' involved using machine learning techniques through IBM's Watson platform. The Watson platform was fed with hundreds of existing horror movie trailers to learn what kept the viewers on the edge before being fed the entire final cut of the upcoming movie.

Further, in the field of journalism too, AI is being used through the concept of Natural Language Processing (NLP), which is a branch of AI. NLP is concerned with the interactions between computers and human language, in particular, how to program the computers to process and analyze large amounts of natural language data. Using this process, news articles can be generated through structured data. The process scans large amounts of assorted data, orders key points, and inserts details such as names, places, statistics, and some figures. This can be achieved through NLP and text mining techniques³⁷. For instance, Forbes has a tool named 'Bertie' for its editorial staff and senior contributors in North America. The tool can learn and customize its output for different writers. It can recommend article topics to contributors based on their earlier pieces and suggest headlines and images that are in sync with the sentiment of their story.

However, there have also been a few concerns related to AI in the creative industry. A lot of times artists may have to learn on how to code if they must make their content using the machine learning frameworks. Further, with a complete creation by AIs such as the short film 'Sunspring' mentioned above, there is a belief that the AIs might replace a complete job profile in the future, such as of a script writer in this case. But it may be noted that 'Sunspring', for instance, had some unnatural story lines. As a result, a sequel titled 'It's no game' was made in 2017, with the same AI bot 'Benjamin' but the bot was used only in selected areas and with human collaboration, ultimately, produced a more natural plot. This clears the air to a large extent that AI and ML are here to exist, but can only be strengthened with human collaborations.

Extended Reality (XR)

The Extended Reality (XR) is a term that engulfs all the immersive technologies such as augmented reality (AR), virtual reality (VR), and mixed reality (MR).

Augmented reality (AR) is the real-time use of information in the form of text, graphics, audio, and other virtual enhancements integrated with real-world objects. It is this "real world" element that differentiates AR from virtual reality. AR integrates and adds value to the user's interaction with the real world, versus a simulation. Virtual reality (VR) provides a computer-generated 3D environment (including both computer graphics and 360-degree video) that surrounds a user and responds to an individual's actions in a natural way, usually through immersive head-mounted displays³⁸.

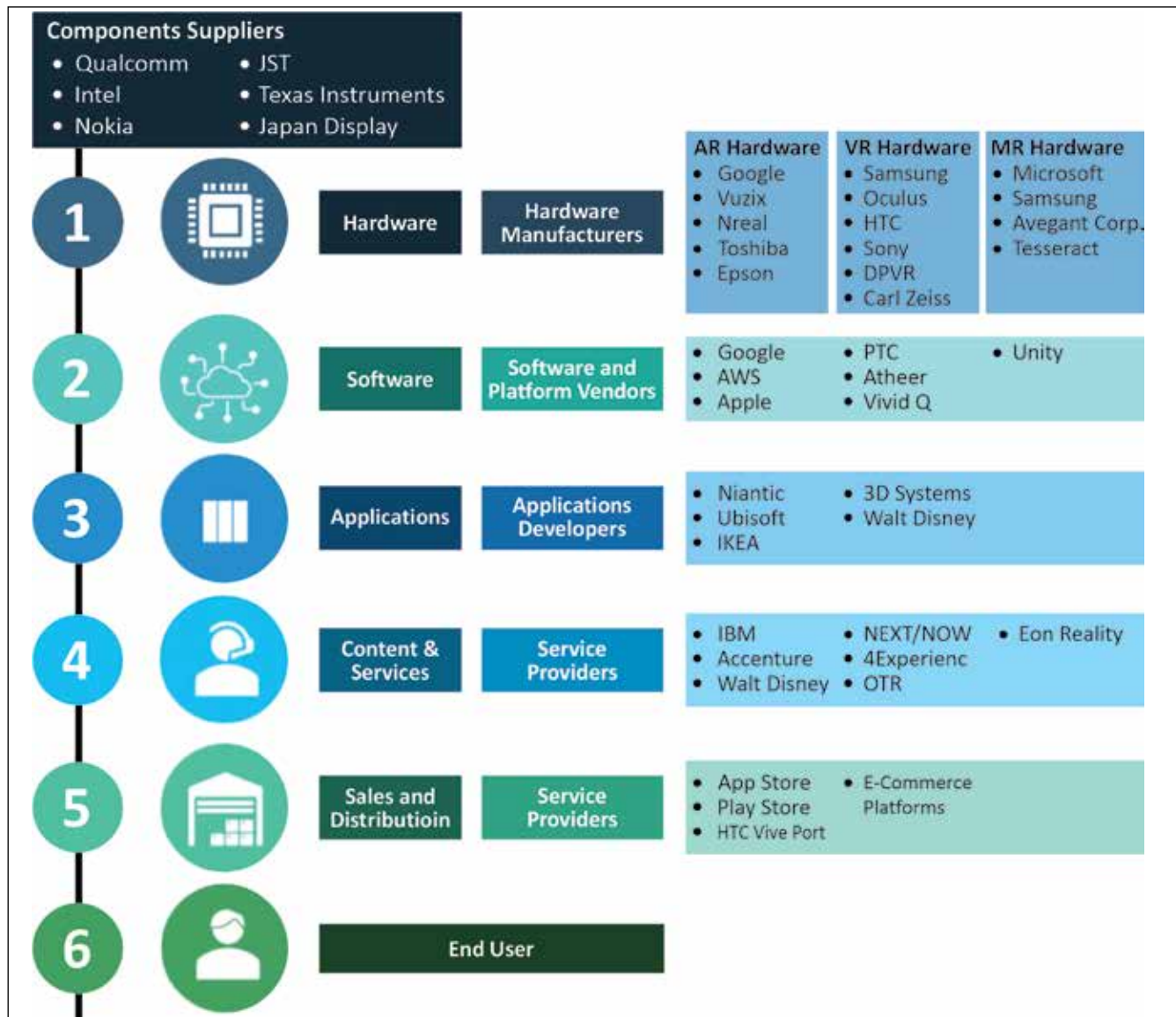
³⁶ A neural network is a series of algorithms that endeavours to recognize underlying relationships in a set of data through a process that mimics the way the human brain operates. In this sense, neural networks refer to systems of neurons, either organic or artificial in nature.

³⁷ Artificial Intelligence in the Creative Industries: A Review, Anantrasirichai et al. (2020)

³⁸ Gartner

An example of AR would be the popular game ‘Pokemon Go’ that allowed the users to catch their favorite Pokémon by looking through their phones at the real world – but with superimposed images. In VR, Microsoft flight simulator offers the virtual reality mode which can give the users a virtual flight experience. Mixed reality (MR), as the name suggests, is the merging of real and virtual worlds to produce new environments and visualizations, where physical and digital objects co-exist and interact in real time. For instance, Microsoft’s Hololens is a holographic computer which the user wears around its head, with lenses over the eyes that project holograms one can manipulate and interact with, as though they existed in the physical surroundings.

Exhibit 3: Supply Chain of Extended Reality Market

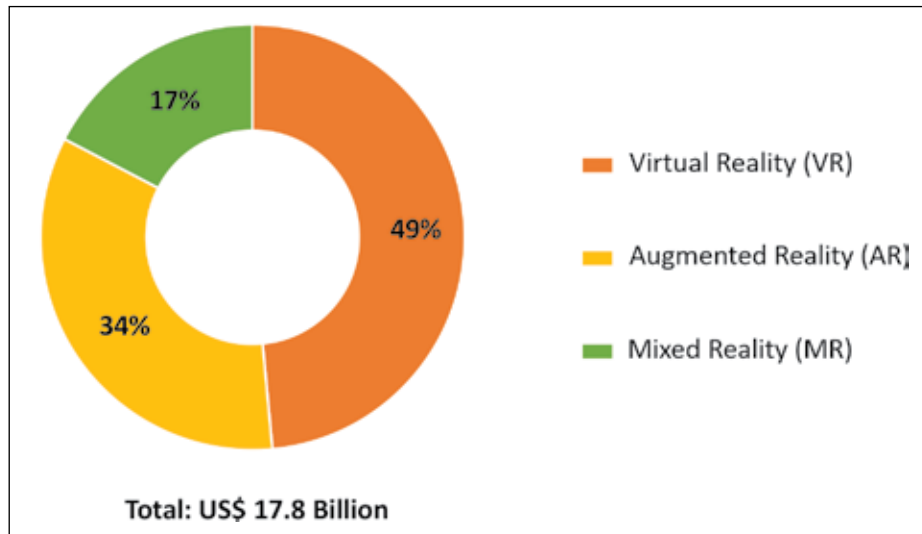


Source: Adapted from BIS Research

The XR market was valued at US\$ 17.8 billion in 2019 and is forecasted to hit the mark of US\$ 296 billion by 2025, thereby registering a CAGR of 62% during 2019 to 2025³⁹. By application, in 2019, the share of virtual reality is highest at almost 49% in the extended market revenue.

³⁹ Global Extended Reality Market (2020-25), Mordor Intelligence

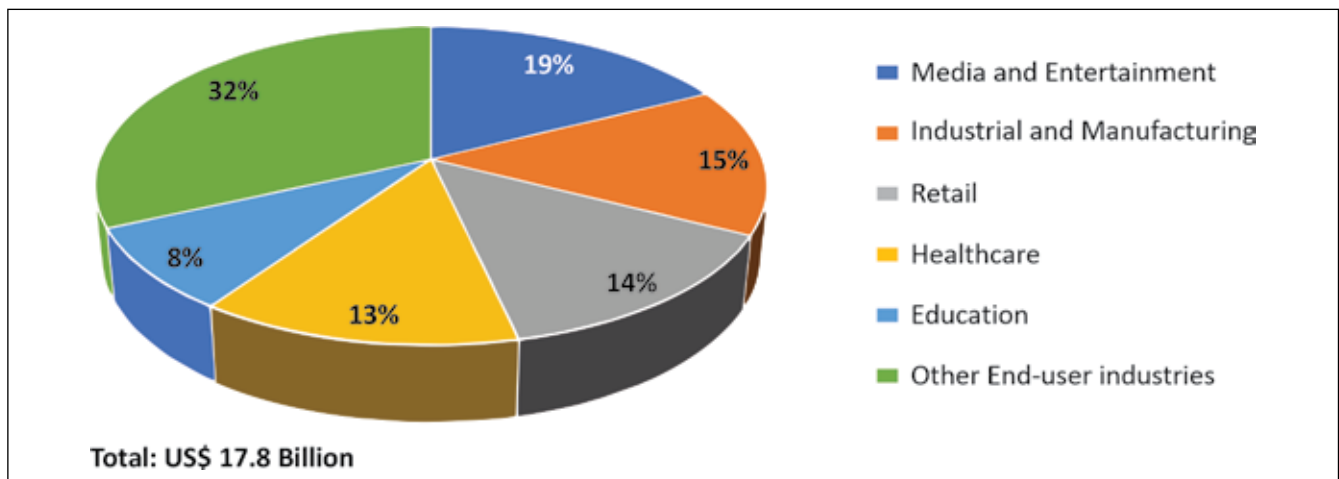
Figure 61: Segmentation of XR Market by Application: 2019



Source: Mordor Intelligence

With respect to the creative industries, media and entertainment, and gaming have seen a lot of applications of the extended reality world in the recent years. In fact, media and entertainment is one of the biggest end-user industries with respect to the XR market.

Figure 62: Extended Reality Market Segment by End-User Industries: 2019



Source: Mordor Intelligence

Note: Other end-user industries segment comprise the gaming, automotive, military and defense, and construction sectors

In fact, as per the Mordor intelligence, the market value of media and entertainment as an end-user industry for extended reality market is forecasted to grow from US\$ 3.1 billion in 2019 to US\$ 56.4 billion in 2025, almost 18 times.

Box 1: Metaverse and its growth in India

Metaverse, which is a virtual world, is an extension of the real world in the digital space. It is a 3D replication of the real world with people creating their own avatars and interacting with each other. It is believed that the internet could eventually evolve into metaverse. Just like in the modern times, people are able to access information, communicate with each other, buy goods etc. using the internet - metaverse is expected to create a similar value proposition for its consumers.

It may be noted that an important role in the success of metaverse is going to be played by the augmented, virtual, and mixed reality market, together known as the extended reality (XR). This is because the creation of 3D environment is significantly associated with the extended reality concept. And for metaverse to become a successful concept, a wider adoption of XR will be important. Currently, it is mostly restricted to the AVGC industry.

The Indian industry is also increasingly introducing metaverse in some of its applications to enhance the consumer experience. Currently, the model is based more on giving the customer an experience of the metaverse than to generate the return on investment.

Recently, Mondelez India, in February 2022, created a metaverse experience for its customers to have a dinner date on moon. Further, the Indian Jewellery brand Tanishq, launched its bridal collection 'Rivaah' brand in the metaverse called 'Rivaahverse' wherein customers could try the jewellery piece using QR code on mobile phones. ITC through its chocolate brand 'Fabelle', in 2022, also made its debut in metaverse by being a part of two weddings hosted on Yug Metaverse and the TardiVerse platforms.

The companies have started getting into partnerships with the enterprises that develop VR headsets and developers who can broadcast events in VR. One such example is Adidas partnering with an enterprise named 'Somewhere Else' which is a VR and AR solutions provider company. Adidas tied up with this company to follow the mountain-climbing journey of two extreme athletes sponsored by TERREX (a division of Adidas). The viewers through the VR introduced could follow the climbers and using a VR headset and two sensory remote controls felt actually like scaling the mountain. The event was showcased in 50 TERREX shops across 10 cities in China and was also showcased at Adidas' Global Marketing Meeting of 800 Adidas executives in Germany.

Realizing the growing XR market, Samsung, in 2018 launched six new VR only TV-series. A pilot episode for each of the six series was made available in 2018. This was also integrated with Samsung's own Gear VR. The technology has been making a mark in the live events as well. In 2018, Liam Payne, an English singer partnered with a VR company called MelodyVR. The viewer could tune into MelodyVR and Facebook live and using the company's technology could go beyond the best seat and in fact, see the show from the stage itself.

It is actually interesting to note that the Covid-19 pandemic could actually give a push to the segment. This is because the large gathering in a larger part of the world is not being allowed which actually opens the gates for the technologies such as VR where people can enjoy the shows and events sitting in their houses, using the VR headsets.

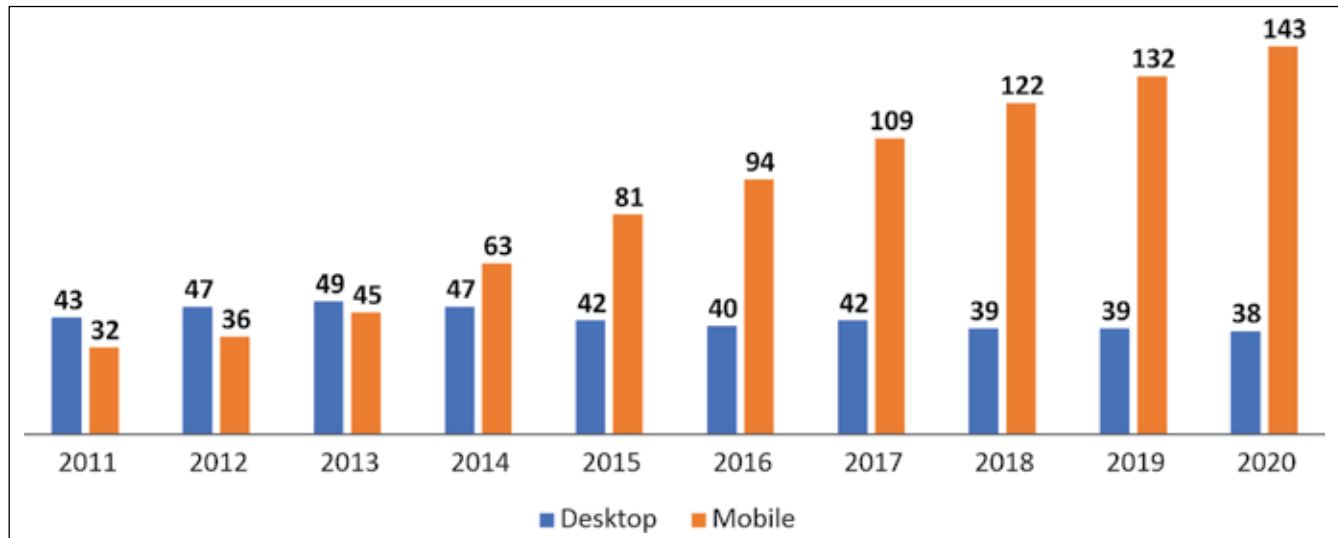
The future of XR segment is bright given that the time spent on screen has been increasing in the past few years. As per a white paper⁴⁰ of World Economic Forum with McKinsey & Company released in 2018, while

⁴⁰ Creative Disruption: The impact of emerging technologies on the creative economy

the overall leisure time is increasing for humans, most of it is being spent on screen-based devices. In fact, on an average, smartphone users interact with their phones 85 times a day⁴¹.

The amount of leisure time was estimated at 7.8 hours a day with almost 47% of it being spent on screen in 2017. It is highly possible that the hours spent on screen have increased even more both due to the natural growth of the industry as well as the introduction of new technologies. Further, it is expected that the XR market is expected to fuel this growth and increase the time spent on screen, in fact, in a more quality manner, through the XR technology.

Figure 63: Daily Time Spent in Minutes on Internet per Capita: World



Source: Statista

However, certain challenges are associated with the growth of this segment as well. There are some concerns that overuse of the XR technology especially wearing the VR headsets for long hours can cause eye strain because the brain is forced to process visual stimuli in a different way to normal.

Further, there are also various concerns related to the privacy as the XR technologies collect huge sets of personal data. Also, the cost of implementing the technology is too high right now. Once, it is lower, the technology will have a huge set of companies to invest in it.

And ultimately, as suggested by the WEF report mentioned above, there is a huge dearth of workers required for this field. The qualifications are either in short supply or concentrated in other industries. As per the report, an informal quantification shows that the demand for freelancers with VR expertise is growing at a thirty-fold y-o-y rate.

Blockchain

In the recent years, one of the most important and popular technological advancements has been the blockchain technology. According to IBM, “Blockchain is a shared, immutable ledger that facilitates the process of recording transactions and tracking assets in a business network. An asset can be tangible (a house, car, cash, land) or intangible (intellectual property, patents, copyrights, branding). Virtually anything of value can

⁴¹ L.A. Perlow, “Sleeping with Your Smartphone: How to Break the 24/7 Habit and Change the Way You Work”, Boston: Harvard Business Review Press, 2012

be tracked and traded on a blockchain network, reducing risk and cutting costs for all involved". In simple terms, blockchain is a digital ledger in which transactions, e.g., cryptocurrency, are timestamped and recorded chronologically and publicly.

While the blockchain technology in the recent times, has been mostly popular in the world of cryptocurrencies, its uses go beyond the digital currency concept and have the potential to completely change, how the creative industries operate. This especially holds true for the independent content creators and the music industry.

Blockchain, in general, has multiple benefits. Given that the transactions are approved and verified by the consensus of participants within the network, it is almost impossible to commit a fraud, and this is also backed by a full chronology of events. This means that the transactions can be traced and audited. The USP of blockchain technology comes from the fact that it is a completely decentralized system with all the participants having the same ledger record.

To understand how blockchain can help creative artists, it is important to evaluate the challenges that these artists face in the current scenario.

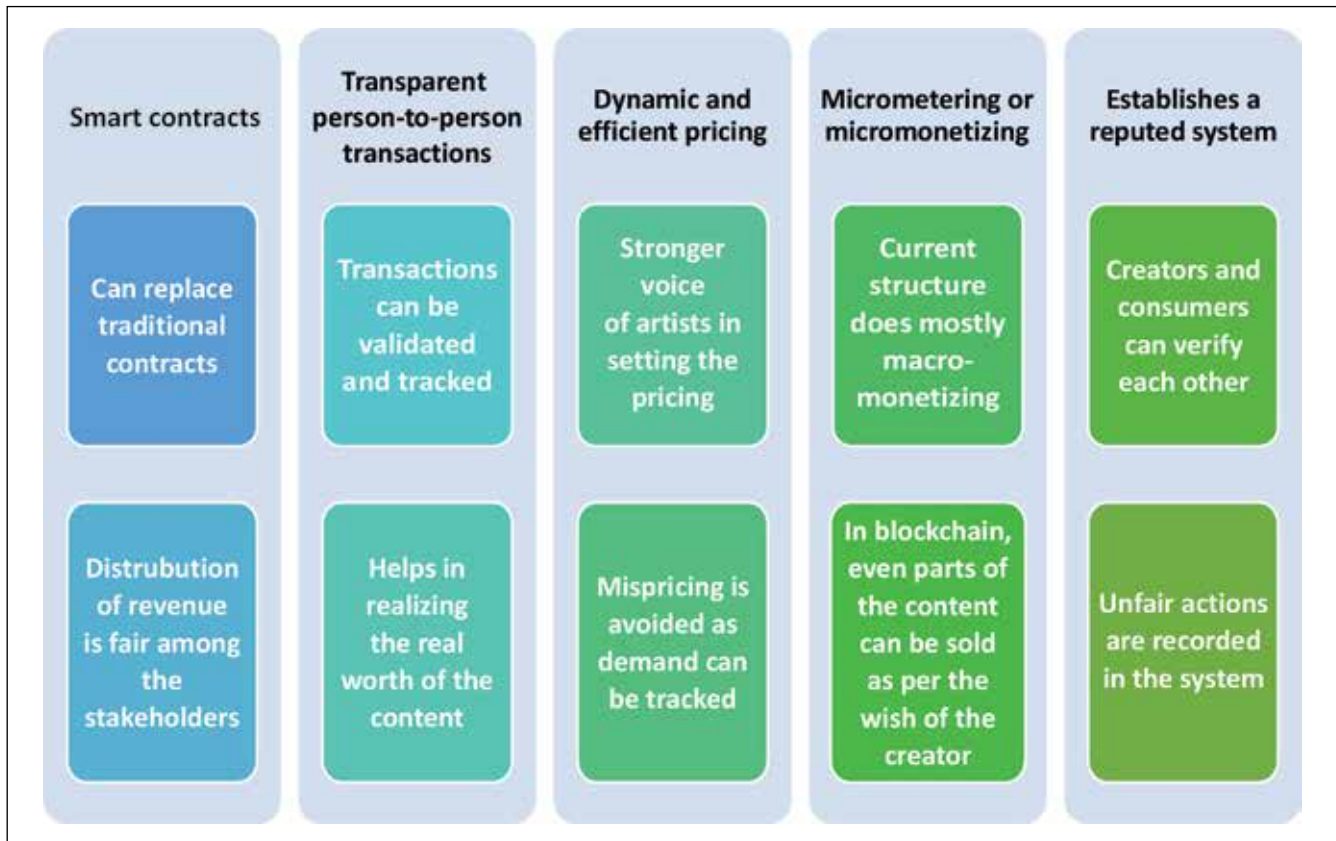
For instance, the screen industry in India in the last 3-4 years has faced increasing competition from the technological advances in home entertainment and streaming platforms. The increased choices with respect to the streaming platforms is certainly an advantage for the consumers when it comes to watching a variety of content. It is also of benefit to the producers who get to reach a larger set of audience. However, the streaming services companies have a few models of engagement such as buying content directly from producers or at times, buying exclusive rights for multiple territories. This hampers the long chain of sales that provides the money to producers to make future content. These producers traditionally earn monetary benefits over a time period and not just in one go. Further, the independent and creative producers have significantly less bargaining power when it comes to the terms of engagement with the big streaming companies.

With respect to the music industry, the challenges are even bigger. With the advent of internet, the music market completely changed as the file sharing platforms and music downloading platforms came into the picture. This caused problems for the digital right management. However, in the recent years, the online streaming platforms such as Spotify, iTunes, YouTube etc. have reduced the illegal downloading of the music and in fact, increased the lawful consumption of the same. But the system has brought a lot of disadvantages as well for the music creators. The music creators now have to deal with intermediaries which reduce their revenue and at the same time, have a little to no say, on how their creative work is advertised or priced. It takes almost 120 to 170 streams on a platform such as Spotify, for the copyright holders to receive their first penny⁴².

However, the awareness around the blockchain technology is increasing now in the creative industries, especially in the field of music. This is because of the strengths that the blockchain technology holds in protecting the rights of the artists.

⁴² McKinsey, 2017

Exhibit 4: Strengths of Blockchain in Creative Industry



Source: Adapted from McKinsey and Company, 2017

Smart contracts can be integrated in the blockchains and can replace traditional contracts when it comes to the music and digital rights. The blockchain technology can distribute fairly amongst the stakeholders and is more inclusive, when it comes to giving the right share of revenue to stakeholders such as lyricists, music composers, singers, amongst others. A smart contract could be set up between a music streaming service and a collecting society (such as Indian Reprographic Rights Organisation) to transact royalty payments fully automatically and securely. For example, when a consumer hears a song via a music streaming service, a payment is automatically made to the artist⁴³.

One of the companies operating in the blockchain space is 'PeerTracks' which uses a blockchain named 'SoundDAC' to pay all copyright holders. Due to this, music creators can own and control their valuable metadata, cooperate on terms right there on the chain, see all streams taking place on all streaming platforms plugged into the SoundDAC ecosystem, and get paid directly as funds are generated directly into the wallets of the copyright holders.

Further, a transparent peer-to-peer system of blockchain is probably one of its biggest strengths. The transactions can be seen and validated in real-time and, the revenue can be tracked. This facilitates in making the artists realize the real worth of their work.

⁴³ PWC, 2019

Box 2: Blockchain in Indonesia's Music Industry

Indonesia has around two million music works, of which only 300,000 are recorded. The music industry is among the fastest growing of the 16 creative economy sectors in Indonesia. The contribution of the music industry to GDP of Indonesia grew 7.59% in 2018, compared to its contribution in the previous year. It employs more than 56,000 workers. And it is expected that the missing intellectual property could play a key role in the development of the creative economy.

In 2019, an Indonesian musician Irfan Aulia who also owns Massive Music Entertainment collaborated with Indonesian government's Creative Economy Agency, Bekraf, on Project Portamento, to use blockchain technology to protect artists' copyright.

Project Portamento will help Indonesian musicians who have loaded their work to the database to track and monitor downloads and usage online and calculate royalties due. It is estimated that by matching and commercializing the database, the Indonesian market for copyrights is expected to increase over five to ten years.

The essence of the whole project is that almost all music is now online, a system such as a blockchain-powered platform should be in place to ensure producers and musicians benefit from their work.

Source: UNCTAD

Artists have a stronger voice in the blockchain in the context of pricing schemes. Given that the work inside a blockchain can be tracked, it gets clearer on what is the actual demand of the content. And once the demand comes into the picture, this can lead to a better and efficient pricing system, which means the content is not mispriced.

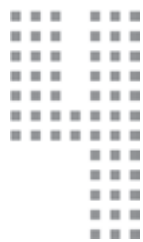
Additionally, the strength of blockchain also lies in its power to micro monetizing the content. The current structure of music streaming services allows to purchase individual tracks. However, under the blockchain, parts of say, a song, can be made available to buy at a particular price for some business purpose of the buyer. In this structure, the content creator can monetize even the partial content.

Finally, because the system of blockchain is decentralized, it allows both the creators and the consumers to verify one another. In case of any deviation from the contract, the actions are recorded and can be used as a deterrent for future. Ultimately, a reputed system to execute the contracts is established under the blockchain technology.

However, the blockchain could also face certain challenges which need to be addressed. For instance, while some artists might be interested in blockchain, it is yet to be seen if the majority will be challenging the status quo. It is also important to realize another big challenge. The blockchain does provide independence to the creators in many aspects; however, the promotion and management of artists might still significantly lie on the big labels, which actually can provide bigger revenue to artists because of the scale. Finally, the rules and regulations, especially in countries such as India, need to be laid down with respect to the blockchain technology.

Sum Up

The creative industry in the last few years is increasingly being influenced by the new technologies such as augmented reality, artificial intelligence, blockchain, among others. Not only do these technologies make the creative industry more efficient, but they also make the services attractive to the consumers. Given the wide applications of these technologies across the industry, the creative industry is bound to observe some disruptions in the near future for its own betterment. At the same time, it will be interesting to see how the governments across the world, especially in India, promote these technologies for the creative artists.



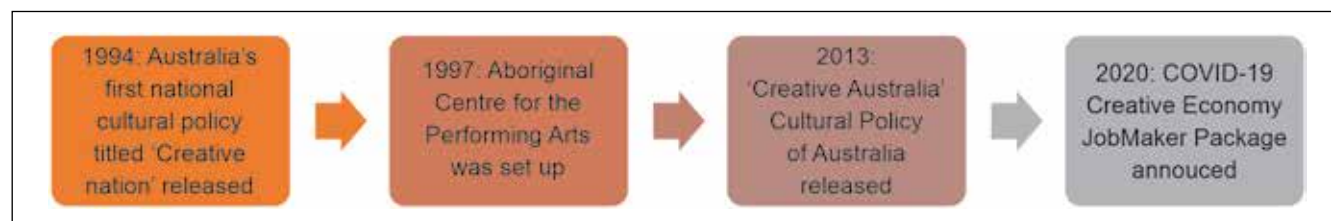
Creative Economy Policies and Incentives in Select Countries: A Brief Analysis

The previous chapters have focused on the global evolution of creative industries, the trade in the creative products with detailed analysis for India, and the role of newer technologies in the creative economy which can shape the field in the coming years. This chapter evaluates on how select countries across the globe progressed in creative industries and as a result, drafted incentives for the created economy to grow. This evaluation, as a result, also sets the tone for the next chapter on how India could make an attempt to grow in this space and achieve a sustainable growth.

Australia

With respect to a dedicated strategy and policy making or more so a vision in the creative and cultural industries, Australia was one of the first nations to take a lead. In 1994, Australia's first National Cultural Policy titled 'Creative Nation' was released. As per the Policy, an additional AUD 252 million spending was committed to the development of cultural industries, over the course of four years. Understanding the importance of indigenous as well as the migrant cultures in Australia, the Government had set up Aboriginal Centre for the Performing Arts in 1997, other than providing funding for the creation of a database for Chinese, Japanese, and Korean-language texts in Australia.

Exhibit 5: Important Milestones in Australia's Creative Economy



A follow up to this policy was done in 2013 with the release of the document called 'Creative Australia' which is the National Cultural Policy of Australia. The policy has five goals in place, namely, (i) Recognising, respecting and celebrating the centrality of Aboriginal and Torres Strait Islander cultures to the uniqueness of Australian identity; (ii) Ensuring government support in a way that reflects the diversity of Australia and that all citizens irrespective of their background or circumstances, have a right to shape the cultural identity and its expression; (iii) Supporting excellence and the special role of artists and their creative collaborators as the source of original work and ideas, including telling Australian stories; (iv) Strengthening the capacity of the cultural sector to contribute to national life, community well-being and the economy; and (v) Ensuring that the Australian creativity thrives locally and abroad in the digitally enabled 21st century, by supporting innovation, the development of new creative content, knowledge, and creative industries.

Incentives and Initiatives

The Australian Government has announced various initiatives and incentives which aim to support the community involved in the creative industries. For instance, the Australian Screen Production Incentive provides tax incentives for film, television, and other screen production in Australia. Some of the segments covered under this are producer offset; location offset; post, digital and visual effects (PDV) offset; and location incentive. The Location and PDV incentives encourage large-scale film and TV production to locate to Australia providing great economic, employment and skill development opportunities and is key to sustainable high skill jobs development⁴⁴.

Further, in the field of digital innovation, the Australian Government provides R&D Tax Incentive. The R&D benefit varies depending on the turnover of the business. It could range from 38.5% tax off-set for large business, to a 43.5% tax off-set for small-to-medium businesses⁴⁵.

In the field of music, the Government of Australia has in place a program called Contemporary Music Touring Program (CMTP) which supports national touring activity undertaken by the Australian musicians performing original contemporary music, with a priority on regional and remote locations.

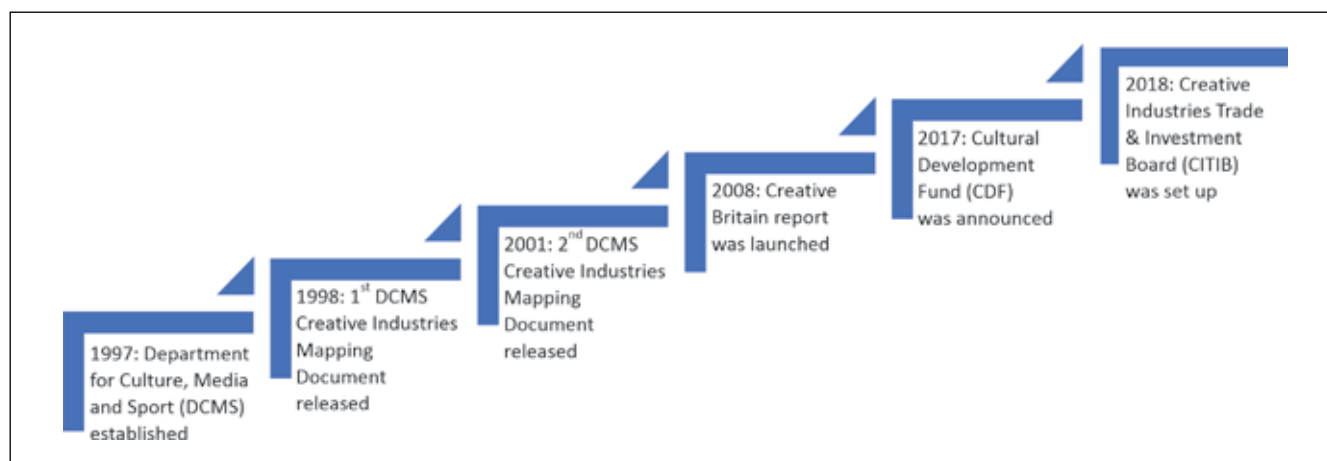
Recently, in May 2021, the Government of Australia has also announced a 30% tax offset for local and international businesses that develop digital games in Australia. It may be noted that this tax offset is Australia's first-ever federal tax incentive for video game development, and will be available from July 1, 2022.

Given how the Covid-19 has impacted the creative industries around the world, the Government of Australia in 2020, announced a comprehensive COVID-19 Creative Economy JobMaker Package totalling AU \$250 million to support artists and organisations to get back in business. Some of the elements of this package were: The Restart Investment to Sustain and Expand (RISE) Fund (provide capital to stage festivals, concerts, tours, and events as social distancing restrictions ease); Show Starter Loan Scheme (assist arts and entertainment businesses); Temporary Interruption Fund (TIF) (Funding for Screen Australia for a TIF to kick start local screen production); and Covid-19 Arts Sustainability Fund (direct financial assistance to support significant Commonwealth-funded arts and culture organisations facing threats to their viability due to COVID-19)⁴⁶.

The United Kingdom

In UK, the term 'creative industries' was taken up at the national level during the mid to late 1990s. The UK set up the Department for Culture, Media and Sport (DCMS) in 1997. Subsequently, a Creative Industries Task Force was set up which released the Creative Industries Mapping Document in 1998 and a follow-up report in 2001.

Exhibit 6: Important Milestones in UK's Creative Economy



The 1998 document attempted to define and measure the creative industries. As per the report, in 1998, the creative industries accounted for almost a million jobs and contributed to 4% of the UK's GDP⁴⁷. The UK Creative Industries Mapping Document defined the creative industries as 'those activities which have their origin in individual creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property'.

Incentives and Initiatives

The UK government provides a host of tax reliefs to the creative industry. These include film tax relief, animation tax relief, high-end television tax relief, video games tax relief, children's television tax relief, theatre tax relief, orchestra tax relief, and museums and galleries exhibition tax relief.

Each tax relief has its own conditions. For instance, the film tax relief can be claimed if at least 10% of the core costs relate to activities in the UK. Core costs include pre-production, principal photography and post-production. It may be noted that public funding for films in UK was recorded at £634 million in 2017-18. Out of this, over 73% came from the film tax relief⁴⁸.

Similarly, under the animation tax relief, at least 51% of the core expenditure should be on animation and at least 10% of the core costs should relate to activities in the UK. For the video games tax relief, at least 25% of core expenditure should be on goods or services provided from within the European Economic Area (EEA). For video games, core expenditure is what is spent on designing, producing, and testing the game.

The Government of UK also has a music export growth scheme under which it provides grants ranging from £5,000-£50,000 to the UK-registered independent music companies in assisting them with marketing campaigns when looking to introduce successful UK music projects overseas⁴⁹.

In 2017, the UK announced the setting up of a Cultural Development Fund (CDF) in which it committed £20 million over the next 2 years. The CDF is a fund administered by the DCMS. The aim of the fund is to enhance cultural sector activity through investment in culture.

⁴⁷ British Council

⁴⁸ British Film Institute

⁴⁹ British Phonographic Industry

Further, in 2018, the UK Government and the Creative Industries Council (CIC), agreed to a three year sector deal to stimulate investment and innovation by creative organisations. The deal involves investment of £150 million across the lifecycle of creative businesses. As a part of the deal, Creative Industries Trade & Investment Board was also established.

Finally, to help the creative businesses in fighting the adverse economic impacts of Covid-19, the UK Government launched the Culture Recovery Board to oversee the delivery of the Culture Recovery Fund, a £1.57 billion fund to tackle the crisis facing the cultural organisations. The Government also announced the Film & TV Production Restart Scheme to kickstart the film and television productions that are struggling to secure insurance for Covid-related costs.

France

After France set up its Ministry of Cultural Affairs in 1959, the Ministry in 1970s, executed interdisciplinary and interdepartmental crosscutting policy which involved setting up procedures to establish partnership between government and cultural institutions. The Fonds d'intervention culturelle (FIC) or Cultural Intervention Fund was also set up during this time to finance innovative partnerships. In 2005, the French Government set up nine National Centres of Street Arts to support emerging artistic practices.

Today, the cultural and creative industries of France account for about 2% of its GDP and are providing employment to over 6 lakh people. The French creative industry dominates the world especially in the field of international film market and book publishing. As per the French government, 65% of the tourists come to France for cultural tourism.

Incentives and Initiatives

The current French policy for the creative and cultural industries is being driven by a EUR 1 billion effort which is divided into an acceleration strategy for cultural and creative industries (CCI) innovation of EUR 400 million and EUR 600 million for culture component under the France 2030 plan. Under the acceleration strategy, the aim is to constitute a global response to the challenges that are being faced for the transformation of this sector. On the other hand, the culture component of EUR 600 million aims to help the technical and human capacity of this sector while addressing areas such as new immersive technologies, digital production etc.

The French Government also provides the Tax Rebate for International Productions (TRIP) of 40% for large scale works which generate EUR 2 million in VFX related spending in France. The rebate for other live-action productions without a large VFX spend in France is 30%.

It may also be noted that institutions such as Agence Française de Développement (AFD) have also been actively involved in the field of creative industry. It covers four areas under its operations in this industry- infrastructure and cultural facilities; vocational training in culture-related activities; cultural entrepreneurship; and cultural policies and governance. AFD committed over EUR 66 million for this sector in 2020, up from EUR 17.9 million in 2019 and EUR 3.4 million in 2018.

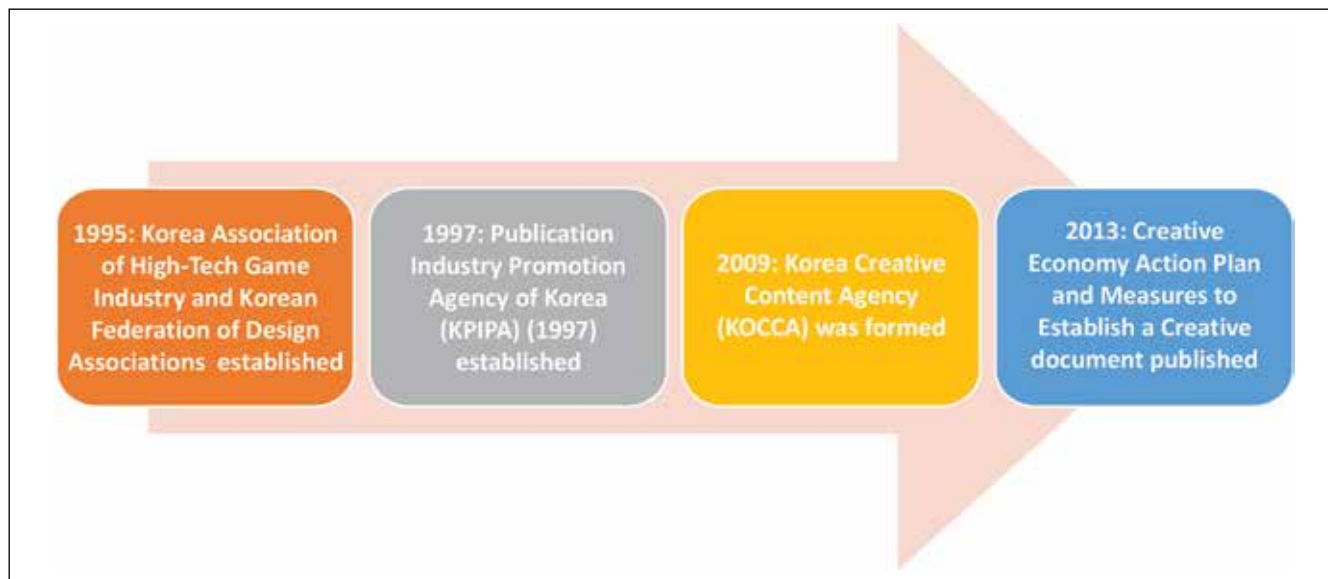
South Korea

In the 1990s and 2000s, South Korea established a host of agencies and acts, related to the creative industries. Some of them were Next Generation Convergence Contents Industry Association (NOIA), established in 1995 with the name of Korea Association of High-Tech Game Industry; Korean Federation of Design Associations

(KFDA) (1995); Publication Industry Promotion Agency of Korea (KPIPA) (1997); Recording Industry Association of Korea (RIAK) (2001) etc.

Further, the Korea Creative Content Agency (KOCCA), was established in 2009 by integrating five related organizations, including the Korean Broadcasting Institute, the Korea Culture & Content Agency, and the Korea Game Agency. As part of its partnership, the Export-Import Bank of Korea provides loans for small companies producing cultural products such as TV shows, films, games and animated series.

Exhibit 7: Important Milestones in South Korea's Creative Economy



In 2013, a landmark blueprint was published with the name 'Creative Economy Action Plan and Measures to Establish a Creative Economic Ecosystem'. The blueprint aims to utilize Korea's science, technology and information and communications technology (ICT) capacity to promote the creative economy. It consists of three goals, six strategies, and twenty four tasks. The three goals are creating new jobs and markets through creativity and innovation; strengthen Korea's global leadership through a creative economy; and creating a society where creativity is respected and manifested⁵⁰.

Incentives and Initiatives

The Korean Film council (Kofic), as part of its location incentive for foreign audiovisual works, provides a cash rebate of 30% of production costs in the country. The eligibilities differ as per the shooting duration and expenditure. For instance, for more than 10 days of shoot and at least krw 2 billion expenditure, 30% rebate can be availed. For minimum three days of shoot and at least krw 50 million, 25% rebate can be availed.

It may also be noted that the rebates from Kofic can be mixed by producers with other cash incentives and in-kind support from regional film commissions such as the Seoul Film Commission's 30% cash rebate for feature films, TV series, documentaries, and web series⁵¹.

In order to promote the startups in the digital innovation and other tech related space, South Korea also has in place the TIPS (Accelerator Investment-Driven Tech Incubator Program for Startup). It is designed to

⁵⁰ Ministry of Economy and Finance, South Korea

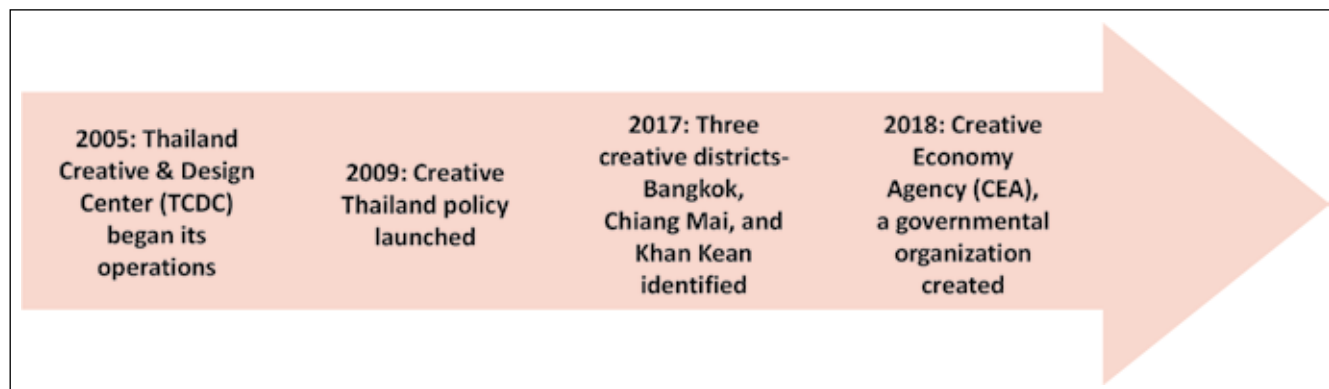
⁵¹ Kamps Film and TV Production Services Online (KFTV)

identify and nurture the most promising startups with innovative ideas and groundbreaking technologies. The scheme offers 100 million KRW in an initial investment, and 500 million KRW in R&D.

Thailand

The Office of the National Economic and Social Development Council (NESDC), which is the national planning agency of Thailand has been coming up with five-year plans since 1961. However, the creative industries and innovation were not mentioned until the 9th and 10th National Economic and Social Development Plans (2002-2006 and 2007-2011).

Exhibit 8: Important Milestones in Thailand's Creative Economy



In 2005, the Thailand Creative & Design Center (TCDC) began its operations under the supervision of the Office of Knowledge Management and Development. In 2018, Creative Economy Agency (CEA), a governmental organization, was created that aims to develop the creative economy for economic and social growth. The TCDC now operates under the newly formed CEA.

One of the important steps in Thailand's journey of creative economy was the launch of Creative Thailand Policy in 2009, which aimed at developing Thailand into a creative industry hub in ASEAN and increasing the country's creative economy value from 12% to 20% of GDP by 2012⁵².

The creative economy promotion plan of CEA consists of four elements to promote the creative economy in the near future. It includes create and promote the knowledge on creative economy; enhance the skills and competence of people in creative business and support creative thinking for Thai people; enhance business capability, and support scale-up of business in the creative industry; and develop cities & creative ecosystems and encourage the government to consider the creative concepts⁵³.

It may be noted that Thailand also has three creative districts in place- Bangkok, Chiang Mai, and Khan Kean. These were identified in 2017 and aimed at revitalising these areas and driving local economies through the promotion of creative activities and communities, enabling long-term development of creative businesses and infrastructures⁵⁴.

⁵² Royal Thai Embassy, Singapore

⁵³ CEA Thailand Annual Report 2019

⁵⁴ British Council

Incentives and Initiatives

For the film industry, in 2016, the Government of Thailand introduced incentive measures for foreign productions with the aim to attract international filmmakers and increase the number of high-investment productions. As part of these measures, a 15% filming rebate is available to international producers, with an additional 2% if Thai crew for key positions is employed and credited, and another 3% if Thailand is shown in a good light. To avail the benefits, the local spend must be with the aim to attract international filmmakers and increase the number of high-investment productions.

It may be noted that Thailand, other than using UNCTAD classification for creative industries also includes Thai food and Thai traditional medicine in the creative industries group. The Traditional Thai medical public services have A3 level of incentives which means a five-year corporate income tax exemption, not more than 100% of investment (excluding cost of land and working capital), exemption of import duty on machinery, and exemption of import duty on raw or essential materials used in the manufacturing of export products for one year⁵⁵.

The fashion and textile industry also forms an important part of the Thailand's creative industry. The textile industry gets various tax incentives including the corporate income tax exemption and exemption of import duty as per the various groups provided by the Board of Investment. For instance, creative product design and development center falls in the A1 group, meaning, it gets 8 years of corporate income tax exemption without any cap, and the exemption of import duty on machinery and raw or essential materials used in manufacturing export products. The textile industry also gets non-tax incentives such as permit to bring in expatriates, permit to own land, and permit to take or remit foreign currency abroad.

Nigeria

The creative industries can be traced back to centuries in Nigeria, however, the first time there was a gathering with a focus on creative industry was in 1977 during the Festival of Arts & Culture celebration. But, the industry in Nigeria is significantly unstructured.

It may be noted that Nigeria is one of the largest economies in Africa and when it comes to the film industry which constitutes an important part of the creative economy, Nigeria has the largest film industry in Africa. As per UNCTAD, Nigeria's entertainment and music industry that emerged in the early 90s is the fastest growing in the world, competing closely with America and India for the global market share. The Nigeria film industry (Nollywood) employs more than 1 million people, making it the second largest employer after agriculture. In 2016, the Nigeria film industry contributed 2.3% (NGN239 billion) of the Nigeria's Gross Domestic Product (GDP) and is considered as a priority sector in the Economic Recovery and Growth Plan of the Federal Government.

Further, as per a report by a Nigerian Job portal 'Jobberman', in 2021, creative industry is positioned as Nigeria's second-largest employer and has the potential to produce 2.7 million jobs by 2025. The report also estimates that the creative industry employs 4.2 million people across five sectors, Media, Entertainment, Beauty and Lifestyle, Visual Arts, as well as Tourism and Hospitality.

Incentives and Initiatives

In 2017, the Federal Government of Nigeria granted the creative industry a pioneer status. This status is granted to companies making investments in qualifying industries and products as tax holiday from the payment of corporate income tax and withholding tax on dividend from pioneer profits for an initial period of three years, extendable for one or two additional years.

The industries included in the pioneer status are music production, publishing and distribution (including online digital distribution); photography; production and post-production of digital content for motion pictures, videos, television programmes, commercials, distribution and exhibition (digital movies, animation, videos, tv programmes and commercials); publishing of books (copyrighted books) and development and publishing of ready-made software (operating systems, software applications and computer games).

It may be noted that while the Nigerian government provides incentives in kind such as free location permits, free security detail, reduced rates of hotels etc. to the film industry, there are no specific tax incentives for feature films, TV series or commercials shooting in Nigeria.

Indonesia

Indonesia is one of the largest economies of Asia and the largest in South-East Asia. As per the Ministry of Trade, Indonesia, the average contribution of the Indonesian creative industry to the National GDP during 2002-2015 was 3.6%. Some of the fastest growing sectors during this period were culinary, fashion, and crafts.

In 2007, Indonesia's first ever Cultural Product Week was launched, and its name was changed to Indonesian Creative Products Week in 2009. In 2011, Indonesia established a new ministry called Ministry of Tourism and Creative Economy.

Exhibit 9: Important Milestones in Indonesia's Creative Economy



While the country had been growing in the field of creativity for some years, more focus came for the creative industry in 2015, when the Government of Indonesia set up the Indonesian Agency for the Creative Economy (BEKRAF). BEKRAF is a non-ministerial agency and has a mandate to develop and coordinate policies to harness the huge potential of Indonesia's creative economy. The agency divided the Indonesian creative economy into sixteen sub-sectors comprising of apps and game development; architecture; visual communication design; movies, animation, and video; culinary arts; music; television and radio; among others.

BEKRAF has six functions in total, namely, research, development, and education; access to capital; infrastructure, marketing, facilitation; regulation of intellectual property (IP) rights; inter-governmental relations; and interregional relations. According to BEKRAF, in 2017, the creative sector generated more than 7% of GDP and employed around 15.9 million people.

Incentives and Initiatives

In 2017, BEKRAF launched the framework of Investment Readiness Level (IRL) for the fashion, craft, application

and game developers, and culinary sub-sectors. IRL is a reference used to measure investment and innovation readiness in the four sub-sectors while anticipating innovation steps, technology life cycles, and market competition. This was done in order to attract the investments into the creative industry of Indonesia. Further, in 2018, four out of 16 Sub-sectors were identified by BEKRAF as potential new economic drivers, namely film, music, fine arts and games (animation). In 2017, BEKRAF launched Government Incentive Assistance (BIP) program, to provide capital access for creative economy businesses in the digital application, game development, and culinary sub sectors. It is a non-banking capital assistance scheme for creative economy businesses in the form of working capital top-ups and/or fixed assets investments facilitated by BEKRAF. It is expected to help the SMEs to a large extent.

BEKRAF has also launched Food Startup Indonesia (FSI), a forum for Creative Economy players, especially in food or culinary activities, engaged both online and offline. The function of BEKRAF here is to bring together creative players and investors together. BEKRAF also facilitates mentorship programs, acceleration, and other support.

Further, BEKRAF also established Regional Film Commission (KFD) institution in collaboration with the Indonesian Film Agency (BPI). This was done to facilitate and encourage local governments to initiate the formation of their respective KFDs in their regions. The forms of facilitation include licensing management including incentives in the local shooting area; integrated services that are directly or indirectly related to the technical needs of film production; and actively market the area as a location for shooting films⁵⁶. However, it may be noted that there are no official filming incentives in place for the foreign production films when it comes to tax breaks.

In 2019, the Indonesian government also announced the measure of super tax deduction for the labour intensive industries, human development, and R&D activities. While a reduction of net income of 60% of investments in tangible fixed assets and land used for main business activities is available for labour intensive industries, a reduction in gross income of up to 200% is also available on expenditure incurred for human development. Further, a reduction in gross income of up to 300% is available on expenditure incurred for certain R&D activities in Indonesia⁵⁷. It may be noted that while this policy is not exclusively for the creative industries, it is bound to impact the creative industries such as media and entertainment, start-ups in technology space, among others, positively.

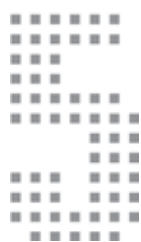
In 2019, in order to promote the copyright interests of the music industry, BEKRAF also partnered with the company Massive Music Entertainment on Project Portamento, to use blockchain technology to protect artists' copyright. Project Portamento will help Indonesian musicians who have loaded their work to the database to track and monitor downloads and usage online and calculate royalties due.

Sum Up

The chapter evaluated some of the established leaders and upcoming players in the creative economy. It assessed the kind of incentives that are being given by the governments in these nations for their creative industries. India is at a nascent stage of structurally defining its creative industry and could take a cue from these nations with respect to the evolution of creative industries and how this evolution went hand-in-hand with the government policies for this industry.

⁵⁶ Ministry of Tourism and Creative Economy, Indonesia

⁵⁷ Deloitte



Strategies: Growth of Creative Industries in India

In the last three decades, various developed countries including the likes of the UK and Australia have made efforts for the upliftment of their respective creative industries by formulating strategies that could lead to the development of these industries. In fact, in the last few years, Asian economies like South Korea, Thailand, and Indonesia have also made similar efforts.

However, India has somewhere lagged in evaluating the true value of creative industries. This is because there is no single definition of creative industries that the government in India has adopted. While efforts have consistently been made for the promotion of various industries associated with the creative economy, this industry in India needs a new push to take a big leap forward, especially when the global dynamics with respect to the technologies are changing quickly.

This final chapter of this Study, hence, lists select strategies which India can possibly adopt to give the necessary push to its much wide creative industry which has the potential to grow if nourished well.

Exhibit 10: Strategies to Promote Creative Industries in India



Source: India Exim Bank Research

Defining and Mapping the Creative Industries in India

Creative industry has been widely recognized as an industry which makes a significant positive impact on the economy of a nation by directly and indirectly creating employment, promoting innovation, and ultimately causing social development.

As discussed in the previous chapters, the first time the term ‘creative industries’ was used in the mainstream was in 1994 when Australia released its Creative Nation report.

Later, the UK defined the industry in 1998, defined by the Department for Culture, Media, and Sports. The UK considered “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property” as creative industries. The UK, in fact, published ‘Creative Industries – Mapping Document 1998’ listing the areas of activities under the creative industry. This included sectors such as advertising, antiques, architecture, crafts, design, fashion, film, leisure software, music, performing arts, publishing, software, and TV and radio.

As mentioned earlier, in India, the first and foremost important task would be to define the bandwidth of creative industry in the country. Though there is a definition provided by the UNCTAD, given the cultural diversity of India, the country can look beyond it so as to suitably cover all the aspects of Creative Industry and extend suitable benefits and opportunities to it. India may possibly adopt a model alike Thailand which went beyond the conventional definitions and included Thai food and Thai traditional medicines as part of their creative industries.

Exhibit 11: Possible Mapping List for India’s Creative Industry (not exhaustive)

HERITAGE Traditional Cultural Expressions Art Craft Festivals Celebrations	ARTS Visual Arts Painting Sculpture Antique Photography	MEDIA Publishing & Printed Media Books Newspapers Press and Other Publications	FUNCTIONAL CREATIONS Design Interior Graphic Fashion Jewellery Toys
Cultural Sites Historical Monuments Museums Libraries Archives	Performing Arts Living Music Theatre Dance Opera Puppetry Circus	Audio Visuals Film TV & radio broadcasting	Creative Services Architecture Advertising Creative R&D Cultural Services Digital Services
	Culinary Arts Local Cuisines Food Preparation Food Plating	New Media Digitized content Software Video games Animations	

Source: India Exim Bank Research

The mapping could be designed to represent the wide spectrum of creative players which inter alia may include - producers of art and crafts, advertising, architecture, music, films, designer fashion, painters and artists, publishers, performing arts, publishing, software and computer services, television, radio, etc. This will also help to measure the contribution of creative industries to the Indian economy.

A Study by ESYA centre released in May 2020 titled ‘Measuring India’s Creative Economy’ attempted to measure the economic contribution of copyright-relevant and related rights-relevant industries in India. The study used the WIPO’s definition of “activities or industries where copyright (and related rights) play an identifiable role” to measure the contribution. As per the study, the gross value added (GVA) of copyright-relevant industries amounted to Rs. 888.89 billion in 2016-2017, or 0.58% of the India’s economy size. However, the study also

considers this number as an underestimation. Further, the study estimates that India's copyright-relevant industries employ approximately 1.1 million workers. To estimate the correct size of the creative economy as well as the players included in it, a government-led initiative is required. Here, it is important to note that the Ministry of Culture, Government of India launched a National Mission on Cultural Mapping in 2015 with an outlay of Rs 3000 crore. The mission proposed to identify, collect, and record cultural assets and resources in India. It also plans to create a portal and a database, listing organizations, spaces, facilities, festivals, and events. Overall, the mission has three broad objectives: National Cultural Awareness Abhiyan: Hamari Sanskriti Hamari Pahchan Abhiyan (Our Culture Our Identity); Nationwide Artist Talent Hunt/Scouting Programme: Sanskritik Pratibha Khoj Abhiyan; and National Cultural Workplace: Centralized Transactional Web Portal with database and demography of cultural assets and resources including all art forms and artists.

However, there have been various hindrances in the above stated mission. The budget for this mission was not initially approved till 2017. Even after that, in FY 2019 and FY 2020, only an amount of Rs 42.8 crore was allocated, of which only Rs 1.2 crore was utilized⁵⁸. In FY 21, the total budget of Ministry of Culture was Rs 2621 crore, a cut due to the pandemic. The Government will need to speed up the process, given the changing dynamics of the industry. Besides, the Government also need to increase the scope of the mapping and clearly define the creative industries, so that the relevant policies can be formed.

It is also suggested that the Government of India may explore the feasibility of tying up with specialized institutions in this space such as the UNESCO and British Council. UNESCO's International Fund for Cultural Diversity (IFCD) supported a project 'Mapping and developing cultural and creative industries in Montenegro' which was completed in February 2020. The West Bengal Government collaborated with the British Council in 2019 to establish the economic worth of the creative industries that function around the Durga Puja festival in West Bengal, with the aim of documenting baseline evidence of the livelihood generation opportunities generated for a cross section of the society⁵⁹. The Government of India could also start similar activity as a pilot project in important creative centres of the country.

Overall, the ultimate objective should be to formally recognize the creative industries sector, so that relevant policies could be formed.

Funds to Finance

One of the most important challenges that the cultural and creative industries across the world face is of financing, and a developing country like India is no exception. The reason for the same is that the firms involved in the creative sector are mostly enterprises which are not large. The financing becomes even more difficult at the individual level when there are individual artists and freelancers involved⁶⁰.

A case in point here is of BNDES (Brazilian Development Bank) which manages the audiovisual sectorial fund (FSA) which is a category under the National Culture Fund (FNC) of the Ministry of Culture, Government of Brazil. The main aim of this fund under BNDES is the development of the entire production chain of audiovisual activity in Brazil. Some of the objectives include increasing cooperation among different economic agents; expanding and diversifying the infrastructure of services and exhibition halls; strengthening research and innovation; the sustained growth of the market share of national content; and the development of new means of dissemination of Brazilian audiovisual production⁶¹.

⁵⁸ Losing the way with a map; The Hindu; May 2021

⁵⁹ British Council

⁶⁰ Creative Economy Report 2013, Special Edition, UNESCO

⁶¹ BNDES

It may be noted that India also has National Culture Fund (NCF) in place since 1996⁶²; however, the scope of the same is quite limited. The Fund was established to “augment the government’s efforts and to facilitate public-private partnership in the fields of heritage conservation and promotion”. It is suggested that the scope of the Fund could be expanded, and financial institutions may be roped in to achieve better results.

The European Commission (EC) also has in place the Cultural and Creative Sectors Guarantee Fund (CCS GF) that will guarantee up to €2 billion of new loans for thousands of cultural and creative SMEs. The EC has designated over €250 million to guarantee loans, which addresses the lack of finance challenge⁶³. India could also establish a similar guarantee fund specifically for creative industries, either on its own, or jointly with like-minded developing nations.

Another solution could be to improve the communication between the financial institutions and the creative sectors. Awareness programs could be conducted by the government to raise the awareness amongst the financial institutions on how probably new age models such as revenue-based financing could be considered to finance the enterprises in the creative sector even if they lack collateral.

Finally, some of the modern financial models of lending should be promoted by the government amongst the creative industry by conducting workshops. These modern financial tools such as P2P lending, venture debt, merchant cash advance etc. should be encouraged amongst these enterprises as digital lending is turning out to be a game changer in India.

Focusing on Joint Programs

India could also start a joint programme for the creative sector funding using its multilateral fora. For instance, the EU had a Creative Europe programme during 2014-20 with a budget of €1.47 billion. The programme was further renewed for the 2021-27 period, with a budget of €2.44 billion. The main objectives of this programme are to safeguard, develop, and promote the European cultural and linguistic diversity and heritage, and increase the competitiveness and economic potential of the cultural and creative sectors, in particular the audio-visual sector. The programme has three strands - culture strand, media strand, and cross-sectoral strand. The Creative Europe programme 2014-20 had kept aside the funding for at least 250,000 artists and cultural professionals, 2,000 cinemas, 800 films and 4,500 literary translations⁶⁴. Similarly, BRICS could also work on a Creative BRICS programme under the Ministerial mechanism for cultural cooperation, established in 2015.

Another case in point is of the ASEAN region. ASEAN has in place ‘ASEAN Strategic Plan for Culture and Arts 2016-2025’. The objective of the plan is to “deepen an ASEAN mindset and facilitate inter-cultural dialogue among the people of ASEAN through the engagement of various stakeholders in raising awareness on, and appreciation for, the histories, cultures, arts, traditions and values of the ASEAN region”. The plan aims to provide a sense of ownership for the culture by promoting the use of culture for creativity, innovation, and livelihood creation. The plan rests on the ‘ASEAN Socio-Cultural Community Blueprint 2025’. The blueprint has put various characteristics in place, one of which is to work towards a creative, innovation, and responsive ASEAN. One of the measures to achieve this is to encourage and support creative industry and pursuits, such as film, music, and animation.

⁶² Ministry of Culture, Government of India

⁶³ Access to finance for the cultural and creative sectors, European Commission

⁶⁴ Culture and Creativity, European Commission

It may also be noted that ASEAN has been hosting a regional dialogue of cultural ministers with South Korea, Japan, and China since 2003, biennially. And, it has also been holding a separate meeting with Cultural Minister of South Korea since 2014. Taking a cue from this, India could also have joint meetings with regional blocs such as ASEAN, a region which shares a significant cultural history with India, especially the nations such as Indonesia, and promote creative sectors. It may be noted that while India keeps organizing cultural exchange programs with various nations, it is important to increase the scope of the same and include various creative industries as part of such programmes.

Addressing the Issue of Copyrights

As per the World Intellectual Property Organization (WIPO), “Copyright (or author’s right) is a legal term used to describe the rights that creators have over their literary and artistic works. Works covered by copyright range from books, music, paintings, sculpture, and films, to computer programs, databases, advertisements, maps, and technical drawings”.

It may be noted that copyright protection would cover only expressions such as the novels, poems, films, music compositions, paintings etc. and not ideas and procedures. For instance, titles, logos slogans etc. may not be available under the copyright protections if there is no sufficient authorship.

The economic rights under the copyright protection allows the author to derive monetary rewards from their work used by others. As a result of economic rights, the author can allow or prohibit his/her work to be reproduced in various forms such as public performance, recording, broadcasting etc⁶⁵.

In India, the base of the copyright protection is the Copyrights Act 1957, which has been amended quite a few times over the years, to keep itself updated with the modern times. The term ‘author’ as mentioned above has been defined in the Act and reveals how the author would differ as per the industry. The author would mean the composer in case of a musical work, photographer in case of a photography, producer in case of a cinematograph film etc. It may be noted that compulsory and statutory licensing and fair use provisions are some of the exceptions to copyright⁶⁶.

India has been taking various actions in the last few years such as coming up with the National Intellectual Property Rights Policy in 2016 which essentially has a rationale to create awareness about the importance of IPRs as a marketable financial asset and economic tool. The policy intends to boost the innovation spirit in the entrepreneurial class of the country. The Government of India has also made it simpler to file the trademarks online and has been consistently working to reduce the review period.

However, India’s ranking is not up to the mark with respect to the copyright protection when compared to the nations around the world. The Global Intellectual Property Index 2021 published by the US Chamber of Commerce included 53 economies contributing 90% to global GDP. India’s rank in the same was 40 with a score of 38.4%. Within Asia, countries such as China, Malaysia, Brunei, and Philippines ranked above India. It may be noted that while India’s score has increased from 24.96% in 2012, it is still far from being in the league of top standards.

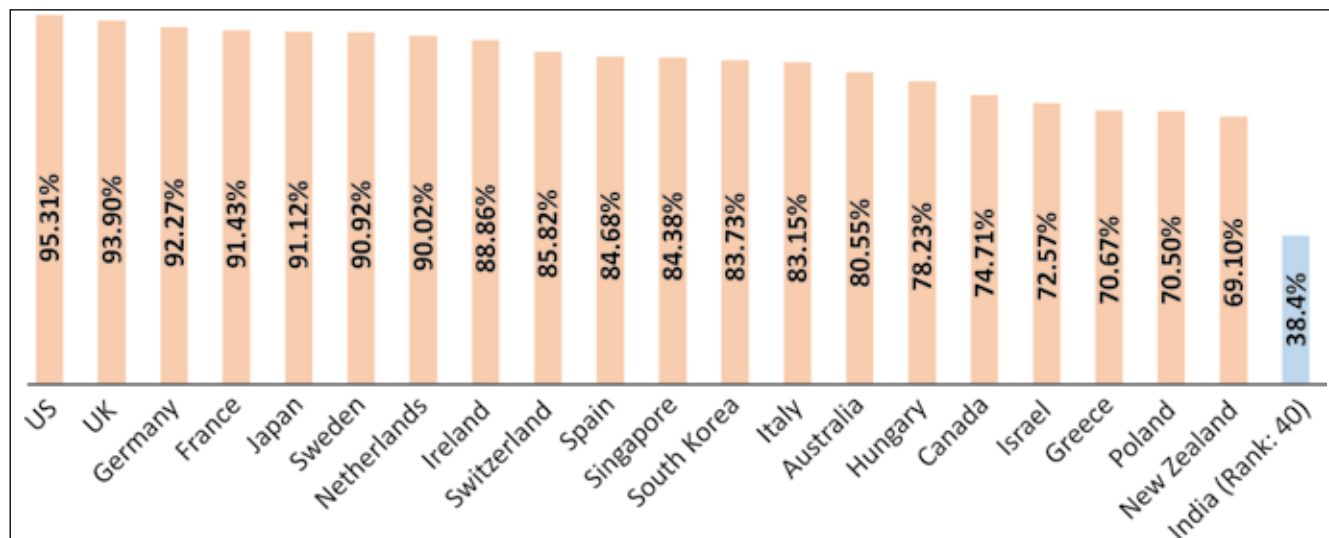
In 2018, India also acceded to the WIPO Internet Treaties which comprise of WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. The Copyright Treaty is a special agreement which deals with the protection of works and the rights of their authors in the digital environment and deals with two subject

⁶⁵ WIPO

⁶⁶ The Copyright Act, 1957

matters, namely, computer programs, and compilations of data. The Performances and Phonograms Treaty deals with two kinds of beneficiaries, particularly in the digital environment, namely, performers (actors, singers, musicians, etc.), and producers of phonograms⁶⁷.

Figure 64: Global Intellectual Property Index: 2021



Source: Global Innovation Policy Center, US Chamber of Commerce

However, the challenges in the creative industry with respect to the copyright remain. It is estimated that Indian films lose US\$ 2.7 billion of revenue every year due to piracy⁶⁸ and this is estimated to go up even further post Covid-19. Additionally, as per KPMG's Media and Entertainment report 2020, in the Indian music industry, the piracy rate stands at almost 67% which is significantly higher than the global average of 27%. To curb the piracy, the GOI plans to introduce Cinematograph (Amendment) Bill; however, the same has been in the pipeline for almost three years now. Therefore, the actions regarding the same could be stepped up as the industry is losing revenue. Further, the Government could promote the use of technologies such as blockchain which can strengthen the fight against the piracy.

Additionally, India could also explore the Chinese model under 'Sword Net Action'. In 2020, China launched a special nationwide action codenamed 'Sword Net 2020' campaign jointly by the National Copyright Administration, Ministry of Industry and Information Technology, Ministry of Public Security and Cyberspace Administration of China, to crack down on online copyright infringement and piracy. This campaign lasted four months and happened for the 16th time since 2005. Today, due to this campaign, the takedown rate of pirated content is at almost 97%, despite the fact that China has one of the highest piracy rates in the world. On the other hand, India's takedown rate⁶⁹ is just 37%⁷⁰. Overall, India also needs to work hard on the crackdown in the short term, while in the long term, taking other measures such as creating awareness, introducing stringent laws etc. could work.

Promoting MSMEs and Local Artisans

There are almost 6.3 crore MSMEs in India with their contribution standing at almost 30% of India's GDP. The Creative Industries include a variety of segments such as carpets, yarn, fashion, jewellery, interiors, among

⁶⁷ WIPO 2018 Assemblies Treaty Action

⁶⁸ Indian Films Are Losing \$2.7 Billion To Piracy Every Year, 2016, The Quint

⁶⁹ Removing or disabling the pirated content

⁷⁰ KPMG Media and Entertainment report, 2020

others. It may be noted that in the Indian context, these segments are heavily dominated by the small and medium enterprises which are scattered by default. As a result, it becomes vital to promote creative goods from these enterprises to push the overall creative goods industry.

There could be two ways in which these enterprises could be supported. Giant marketplaces such as Amazon and Flipkart have proven to be beneficial for the MSMEs of India wherein these enterprises have been able to capture a wider market base domestically. Given the international exposure that the companies such as Amazon have, Government of India can tie up with these marketplaces by providing the relevant funding. In this case, these companies can help the Indian MSMEs with product designing and new vision, awareness, and product development, leveraging their awareness of the global demand pattern.

When it comes to the online promotion of these MSMEs, it may also be noted that the Government of India is creating an Open Network for Digital Commerce (ONDC), the pilot phase of which was recently launched. The purpose of the same is to change the fundamental structure of the e-commerce market from the current “platform-centric model to an open-network model”. Under this, the government wants to ensure that the buyers and sellers of the goods in the e-commerce market can transact regardless of the platforms on which they are registered. For instance, a buyer registered with Amazon, may directly purchase goods from a seller who sells on Flipkart.

On the offline mode, it will be important for the Government to promote stores which directly source from the artisans and provide to the customers. The Governments (Centre or State) can explore the options of tying up with brands that are already doing this or could help in branding those businesses.

A case in point here is of Fabindia which sells furnishings, traditional apparel, personal products, and a wide variety of consumables and personal care products, all of which are sourced from Indian villages, without any middlemen. In this model, artisans receive a share of the profits and social objectives are being met while simultaneously meeting the needs of the market. As a result, it will be important for the Government to promote social businesses for different creative segments such as carpets, handicrafts, fashion etc. where in social problem is addressed (such as artisans not being able to get their share or not able to find a market) and at the same time, costs associated with the business are recovered and the surpluses generated are reinvested, thus making it financially self- sustainable⁷¹.

Finally, the state governments could also take the initiative and use the already established social media platforms such as Facebook, Twitter, Instagram etc. to promote the local artisans and their work and use the same channel to sell it, directly to the customers.

Establishing the Creative Districts/Hubs

India is a land of unique cultures, traditions, cuisines, etc. The diversity that India has to offer is its strength. However, even with this background of diversity, it is clear that India has not been able to utilize its full potential in the creative industry space. While various measures such as copyright protection, increased R&D, adopting new technologies are important, the Government should also be ready for some outside the box steps. One such step could be designating and developing a few creative districts or hubs in India.

There are over 700 districts in India, each spread over large areas, possessing its own identity, and culture. All these districts could present a different model of development. The Governments across India, both central and state, could identify some of the districts that could be put in the category of creative districts,

⁷¹ Kumar, Gupta (2018), Fabindia: Fashion with Social Objectives

on the lines of the creative districts model in Thailand. An in-depth research could be carried out by a central government agency or in collaboration with subject matter expert agencies such as the UNESCO, to identify creative districts in India.

There is no universal model that could work for all the districts and hence, in-depth research may be required. This could help understanding the interlinkages between the culture of the districts, and their creativity levels, which ultimately could be a model for creative industry development.

The Creative districts concept could have a lot of benefits including giving the platforms to the artists to showcase their skills, attracting the tourists, establishing a sense of community in the region's population, etc. Further, there could be other social and economic benefits that can come out of the creative districts. This could include sharing and innovating local craft practices, diversifying opportunities, and attracting new and returning talent to repopulate regional cities – thereby revitalising communities and the local economy⁷².

It may also be noted that Thailand has in place a Thailand Creative District Network (TCDN) which is a platform for all provinces across Thailand with potential and expandable assets where people in the area are ready and believe that their community/neighbourhood/city can be developed into a creative economy district. The network works on the premise that the development will not end with a small area. But it will lead to interconnectedness as a cooperation network among the neighbourhoods, and among the cities to learn and exchange experiences to drive the provinces to become creative cities on the world stage⁷³. A similar platform could also be developed by India which could motivate communities in India to come forward and display their uniqueness.

Given that both the area and population of India are vast, both the Central and State governments could categorize these districts or belts segment wise. For instance, some belts could be declared as creative districts in food, in case, India decides to include food in its definition of creative industries.

Accordingly, with the creative districts in place, both the Central and State governments could put in investments to develop and rejuvenate these places as per their segmentation, in terms of both hard and soft infrastructure. It is important to mention here that this big task could not be carried out by the Central Government or its agency alone, and a significant centre-state cooperation will be required to achieve the desired results. Just like in the case of nominations for Smart Cities development, the state governments could also identify and nominate the creative cities or districts.

Forming a Specialized Institution for Creative Industries

While defining and mapping the creative industries should be one of the first steps to give the creative industry its due recognition, its upliftment would not occur only by the definition. India has a Union Ministry of Culture in place which has a host of functions to fulfil, some of which may be directly and indirectly impacting the creative industries in India.

However, a full-fledged thrust, post the mapping of the creative industries in India can only be given once a nodal agency is set up which is specifically dedicated to the growth and development of the creative industries in India. It may be noted that countries such as the UK (Creative Industries Council), Thailand (Creative Economy Agency), Indonesia (BEKRAF), etc. already have creative industry development institutions in place.

⁷² Creative and Cultural Districts in Thailand, British Council

⁷³ Creative Economy Agency, Thailand

On the lines of these institutions, India could also set up a dedicated creative industry development institution, Creative Industry Agency (CEA) of India. Various association bodies already involved in the working of various sub-segments, such as the film, music, media, etc. could represent under this institution, in a PPP model. The agency could act as a forum for the public and the private organizations to come forward and make relevant policies for the growth of the creative industry. The agency could also focus on creating an ecosystem for the entrepreneurs and creative personnel to display their skills to the larger audience.

One of the important objectives of this agency could be to invest in the youth engaged in the creative industries. The creative industry, per se, is not restricted to youth. However, the recent expansion and dynamism of the creative industries is accounted for by rapid techno-economic change in products, distribution, marketing, and social media (e.g., e-books, iPads, iTunes, Google, iCloud, Facebook, Twitter, etc.) and the increasing commercialization of intellectual property in the digital world (e.g., digital rights management, apps market)⁷⁴. The youth being more adaptive to the technological changes certainly will have a larger role to play in driving this industry in India.

Further, the value chains within the creative industries are expanding every day, with the possibility of younger generation to contribute to it. For instance, a book can be adapted into a screenplay for a movie, which could then generate a soundtrack (e.g., sound recording) which generates copyright flows and then there is the possibility of producing specialty merchandise (e.g., toys, clothing lines, crafts) and designs which may be protected and commercialized through patents and trademarks⁷⁵.

Additionally, incentives could be introduced by this agency for the creative industry. For instance, for the music industry and similar creative industries, one of the incentives could be initiating government funded music-centric grants and export schemes. This could be in line with the music export growth scheme of UK which is designed to make grants available to UK-registered independent music companies in order to assist them in marketing campaigns to introduce successful projects overseas. Such schemes could develop the musical talent pool, and aid the large investments required to create, market, and promote musical content. The government could consider linking these grants and schemes to the Start-up India initiative⁷⁶.

Some of the other objectives of this agency could be cultivating and increasing various marketing points for the creative goods and services from India, for the domestic market as well as the foreign markets. Further, it should work on increasing the access to finance and helping creative personnel with new sources of finance. Finally, it will be the responsibility of the proposed agency to organize awareness sessions and workshops around the complex subjects of the copyright, patent rights, new technologies, regulations etc. for the overall development and upliftment of the creative industry in India.

Catering to the New Technologies

In the recent years of technological transformations, there has been a great deal of disruption in the creative economy on how it traditionally used to operate and how it is now changing to make the experience of the content users and consumers even more interesting and satisfying. It is important to see how the newer technologies such as the artificial intelligence (AI), augmented and virtual reality (AR/VR), blockchain, etc. have disrupted the creative sector.

AI has been the most useful in understanding the preferences of the consumers. Using the huge datasets, AI helps both the content creators and providers to reach the consumer in the most efficient ways possible.

⁷⁴ Creative Industries for Youth: Unleashing Potential and Growth, UNIDO, 2013

⁷⁵ Creative Industries for Youth: Unleashing Potential and Growth, UNIDO, 2013

⁷⁶ Economic impact of the recorded music industry in India; Deloitte and IMI, 2019

As a result of AI, the providers can recommend tailored content as per the behaviour of the consumers. The AI has also helped in reducing the job of the creator. For instance, the short film titled 'Sunspring' in 2016 was entirely written by an AI bot named 'Benjamin' using neural networks.

AR/VR, on the other hand, have been useful in making the consumer experience of consuming content more realistic. Using these tools, the content creators can completely transform the way of storytelling and even the consumers are ready to pay more to consume content in this way. The recent example of a successful AR/VR execution is the game 'Pokémon Go' which allowed users to catch their favorite Pokémon by looking through their phones at the real world – but with superimposed images.

Next in line is the blockchain technology. While the blockchain technology has been most popular for its use in the crypto currencies including Bitcoin, its uses go beyond the digital currencies model. One of the latest integrations with the blockchain technology has been of the non-fungible tokens (NFTs). Non-fungible, per se, means something which cannot be replaced with something else. The concept of NFTs allows artists to register their art with the blockchain technology and sell it in a secure way. The owner of the original art is also entitled to a percentage of the future sales.

Given the increased uses of the abovementioned technologies, it is imperative for India to adopt these technologies in the creative space. Currently, technologies such as blockchain are mostly restricted to the finance sector in India. However, as stated above, a huge potential lies to leverage such technologies in the creative sector as well. A similar situation also exists for the AI technology. AI holds a huge potential in the areas such as film industry and the western countries are already displaying that. Given that the Indian film industry is the second largest in the world, the AI technology should be embraced in this area too.

In the adoption of these technologies, the Government will have an important role to play. Most of the creative players are not even aware of the technologies such as AI and its benefits, on how it could actually reduce the cost of creating content. The Government or its designated agency may arrange workshops and courses for these creators to make them utilize the benefits of this technology.

It may be noted that the Government has set in place the National Strategy for Artificial Intelligence and the New Education Policy (highlights the importance of AI curriculum). However, for a faster adoption of these technologies, India will have to rely on a multi stakeholder collaboration. This could involve coming together of the government, corporate sector, and the academia. Areas such as low R&D investment, low skilled workforce, low risk-taking abilities etc. will have to be addressed. Additionally, the Government may need to also explore collaborating with the giant players, for instance, big labels in the film and music industry, on how they can bring and utilize technologies such as blockchain in India and how its reach can be increased⁷⁷.

Conclusion

The Study has made an attempt to understand the scope of creative industry in India including the trade of the creative goods and services by India. Further, the study maps the various technologies that have come up in the recent years, which are going to impact the creative industry in India, in a significant way in the subsequent years. As a result, India will have to be ready to adopt these technologies in the mainstream. However, the task for India will be huge as this will have to go hand-in-hand with the mapping of the creative industry in India. Overall, to make the creative industries contribute to the sustainable growth model for the Indian Economy, the Government will have to give added thrust.

⁷⁷The future of artificial intelligence adoption in India, Financial Express, Nov 2020

Annexure 1: India's Export Competitiveness in Art Crafts

HS Code	Sub-segment	2010	2015	2019
Art Crafts		0.401	0.427	0.420
570110	Carpets	0.888	0.897	0.893
570231	Carpets	0.896	0.908	0.919
570330	Carpets	-0.221	0.384	0.419
570190	Carpets	0.792	0.855	0.894
600410	Yarn	-0.899	-0.536	-0.063
570232	Carpets	0.747	0.890	0.921
960200	Other art crafts	0.601	0.754	0.723
581010	Yarn	0.097	0.875	0.922
950510	Celebration	-0.580	-0.293	-0.191
630240	Yarn	0.733	0.898	0.939
581091	Yarn	0.649	0.850	0.862
581092	Yarn	0.610	0.661	0.446
570299	Carpets	0.219	0.872	0.865
581099	Yarn	0.838	0.886	0.903
570249	Carpets	0.720	0.889	0.912
442090	Other art crafts	-0.278	-0.311	0.444
570220	Carpets	0.963	0.958	0.944
570242	Carpets	-0.703	-0.181	-0.163
630491	Yarn	-0.125	0.420	0.367
570210	Carpets	0.767	0.895	0.886

HS Code	Sub-segment	2010	2015	2019
570292	Carpets	-0.516	0.352	0.718
570241	Carpets	0.718	0.588	0.753
570239	Carpets	0.806	0.754	0.930
460199	Wicker ware	-0.489	-0.450	0.786
580620	Yarn	0.260	0.186	0.061
460219	Wicker ware	-0.907	-0.549	-0.005
960190	Other art crafts	0.644	0.732	0.783
580430	Yarn	0.673	0.603	0.953
570291	Carpets	0.534	0.631	0.858
580632	Yarn	-0.232	-0.593	-0.535
480210	Paperware	0.895	0.784	0.771
580890	Yarn	0.523	0.416	0.454
580810	Yarn	-0.097	0.083	0.326
950590	Celebration	-0.755	-0.549	-0.701
570250	Carpets	0.760	0.614	0.493
600490	Yarn	-0.729	0.022	0.226
600290	Yarn	0.061	0.152	0.351
630232	Yarn	-0.065	-0.560	-0.774
580639	Yarn	-0.414	-0.078	0.352
580500	Yarn	0.375	-0.174	0.734
701890	Other art crafts	-0.363	-0.716	-0.468
670290	Other art crafts	-0.984	-0.956	-0.861
580631	Yarn	-0.725	-0.704	-0.642
580900	Yarn	0.470	0.715	0.716
580610	Yarn	-0.107	-0.764	-0.529
600240	Yarn	0.128	-0.615	-0.653
581100	Yarn	-0.676	-0.713	-0.551
460129	Wicker ware	-0.776	-0.802	-0.590
630411	Yarn	0.273	-0.050	-0.560
460211	Wicker ware	-0.998	-0.983	-0.798
600320	Yarn	0.487	0.655	-0.237
600330	Yarn	-0.914	-0.529	-0.829

HS Code	Sub-segment	2010	2015	2019
600390	Yarn	0.525	-0.055	-0.193
630800	Yarn	-0.506	-0.342	-0.804
460121	Wicker ware	-0.948	-0.812	-0.849
580640	Yarn	-0.951	-0.961	-0.798
460212	Wicker ware	-1.000	-1.000	-0.969
960110	Other art crafts	-0.931	-0.311	-0.460
950810	Celebration	-0.997	-0.992	-0.992
460122	Wicker ware	-1.000	-1.000	-0.888
460192	Wicker ware	-0.998	-0.994	-0.986
600310	Yarn	-0.955	-0.157	-0.976
460193	Wicker ware	-1.000	-1.000	-0.983
460194	Wicker ware	-0.939	-0.959	-1.000
600340	Yarn	-0.881	-0.758	-1.000

Source: ITC Trade Map; India Exim Bank Research

Annexure 2: India's Export Competitiveness in Audiovisuals

HS Code	Sub-segment	2010	2015	2019
Audiovisuals		0.276	-0.437	-0.468
852380	CDs, DVDs, tapes	0.617	0.596	0.607
852329	CDs, DVDs, tapes	-0.017	-0.858	-0.798
852349	CDs, DVDs, tapes	-	-0.959	-0.972
852341	CDs, DVDs, tapes	-	0.246	-0.817
370610	Film	0.513	0.913	-0.810
370690	Film	0.485	-0.568	-0.511

Source: ITC Trade Map; India Exim Bank Research

Annexure 3:

India's Export Competitiveness in Design Goods

HS Code	Sub-segment	2010	2015	2019
Design		0.544	0.449	0.464
711319	Jewellery	0.814	0.648	0.738
711311	Jewellery	0.601	0.889	0.810
940360	Interior	-0.050	0.023	0.102
420231	Fashion	0.719	0.740	0.685
420310	Fashion	0.754	0.824	0.799
420221	Fashion	0.422	0.316	0.194
420222	Fashion	-0.034	0.039	0.139
570500	Interior	0.860	0.853	0.811
621490	Fashion	0.927	0.935	0.917
420329	Fashion	0.729	0.800	0.782
570390	Interior	0.846	0.931	0.937
570310	Interior	0.903	0.912	0.883
940320	Interior	-0.784	-0.437	-0.370
950300	Toys	-0.931	-0.822	-0.744
420330	Fashion	0.243	0.492	0.451
481490	Interior	-0.963	-0.926	0.883
481420	Interior	-0.996	-0.994	0.602
621420	Fashion	0.861	0.758	0.637
940389	Interior	-0.846	-0.635	0.223
420211	Fashion	0.430	0.265	0.527
621410	Fashion	0.809	0.818	0.727
711719	Jewellery	0.099	0.139	-0.118
420212	Fashion	-0.669	-0.725	-0.546

HS Code	Sub-segment	2010	2015	2019
940510	Interior	-0.679	-0.640	-0.700
621430	Fashion	0.671	0.449	0.303
611710	Fashion	-0.009	0.512	0.232
711620	Jewellery	-0.524	-0.675	0.281
650500	Fashion	-	-0.688	-0.623
420232	Fashion	-0.898	-0.742	-0.529
691110	Interior	-0.695	-0.808	-0.759
711419	Jewellery	0.880	0.594	-0.237
580410	Interior	-0.603	-0.207	0.258
691200	Interior	-0.727	-0.585	-0.315
950490	Toys	-0.968	-0.779	-0.640
420340	Fashion	0.524	0.573	0.587
621710	Fashion	0.236	0.074	-0.354
420292	Fashion	-0.921	-0.920	-0.908
940350	Interior	-0.967	-0.927	-0.878
621440	Fashion	0.608	0.525	0.483
580429	Interior	0.133	0.337	0.550
621790	Fashion	-0.235	-0.195	-0.248
821520	Interior	-0.801	-0.702	-0.413
580421	Interior	-0.288	-0.651	-0.421
711411	Jewellery	0.461	-0.067	0.270
950440	Toys	-0.476	-0.495	-0.591
900410	Fashion	-0.992	-0.976	-0.935
611780	Fashion	-0.315	-0.382	-0.630
691410	Interior	-0.863	-0.709	-0.665
621590	Fashion	0.457	-0.346	0.474
940530	Interior	-0.995	-0.944	-0.885
701310	Glassware	-0.838	-0.981	-0.426
621520	Fashion	-0.085	-0.683	-0.312
701333	Glassware	-0.337	-0.993	-0.137
650699	Fashion	-0.710	-0.656	-0.790
650400	Fashion	-0.695	-0.790	-0.774

HS Code	Sub-segment	2010	2015	2019
940340	Interior	-0.946	-0.980	-0.985
621510	Fashion	-0.409	-0.917	-0.778
821510	Interior	0.519	-0.073	-0.104
711610	Jewellery	-0.821	-0.980	-0.522
711320	Jewellery	-0.941	-0.884	-0.710
611790	Fashion	-0.856	-0.770	-0.935
430310	Fashion	-0.997	-0.995	-0.992
590500	Interior	-0.345	-0.837	-0.676
711420	Jewellery	-0.849	-0.902	-0.688
701341	Glassware	-0.923	-0.999	-0.677
701391	Glassware	-0.978	-0.990	-0.841
711711	Jewellery	-0.534	-0.708	-0.873
950420	Toys	-0.999	-0.606	-0.947
490600	Architecture	-0.546	0.065	-0.893
701342	Glassware	-1.000	-0.996	-0.979
821591	Interior	-0.933	-0.989	-0.890
701322	Glassware	-0.997	-0.855	-0.898
570410	Interior	-0.714	-0.998	-0.995
441900	Interior	-0.580	-0.253	-1.000
940381	Interior	-0.883	-0.865	-1.000

Source: ITC Trade Map; India Exim Bank Research

Annexure 4: India's Export Competitiveness in New Media Goods

Product code	Sub-segment	2010	2015	2019
New Media		-0.686	-0.701	-0.730
852352	Recorded Media	-0.063	0.089	-0.032
852351	Recorded Media	-0.998	-0.964	-0.851
852359	Recorded Media	-0.421	-0.417	0.286
950430	Video Games	-0.899	-0.999	-0.897
852321	Recorded Media	-0.911	-0.591	-0.463
950450	Video Games	-	-0.999	-0.991

Source: ITC Trade Map; India Exim Bank Research

Annexure 5: India's Export Competitiveness in Performing Arts Goods

Product code	Sub-segment	2010	2015	2019
Performing Arts		-0.757	-0.660	-0.625
830610	Musical instruments	0.317	0.372	0.504
920790	Musical instruments	-0.703	-0.882	-0.526
920710	Musical instruments	-0.858	-0.977	-0.648
920600	Musical instruments	-0.575	-0.219	-0.485
920810	Musical instruments	-0.780	-0.871	0.230
920590	Musical instruments	-0.825	-0.837	-0.857
920290	Musical instruments	-0.783	-0.396	-0.907
920890	Musical instruments	-1.000	-0.495	-0.375
920210	Musical instruments	-0.977	-0.863	-0.746
920190	Musical instruments	-0.306	-0.453	-0.158
920510	Musical instruments	-0.952	-0.992	-0.981
490400	Printed music	-0.858	-0.985	-0.988
920120	Musical instruments	-1.000	-1.000	-0.997
920110	Musical instruments	-0.985	-0.972	-0.999

Source: ITC Trade Map; India Exim Bank Research

Annexure 6: India's Export Competitiveness in Publishing Goods

Product code	Sub-segment	2010	2015	2019
Publishing Goods		-0.494	-0.380	-0.273
490110	Books	0.609	0.716	0.710
490300	Books	-0.716	-0.380	0.006
490199	Books	-0.794	-0.847	-0.863
491110	Other printed matter	-0.850	-0.659	-0.659
480100	Newspaper	-0.885	-0.946	-0.784
490900	Other printed matter	-0.534	-0.573	-0.502
490510	Other printed matter	0.028	0.544	0.769
491000	Other printed matter	-0.305	-0.268	-0.240
490290	Newspaper	-0.887	-0.923	-0.933
490890	Other printed matter	-0.965	-0.855	-0.873
490191	Books	-0.579	-0.669	-0.571
490210	Newspaper	-0.576	-0.684	-0.702
490599	Other printed matter	-0.506	-0.594	-0.557
490810	Other printed matter	-0.542	-0.908	-0.840
490591	Other printed matter	-0.577	-0.992	-0.912

Source: ITC Trade Map; India Exim Bank Research

Annexure 7: India's Export Competitiveness in Visual Arts

Product code	Sub-segment	2010	2015	2019
Visual Arts		-0.264	-0.575	-0.690
970110	Painting	-0.688	-0.544	-0.730
970300	Sculpture	-0.126	-0.069	-0.461
970600	Antiques	-1.000	-1.000	-0.523
392640	Sculpture	-0.814	-0.851	-0.766
491191	Photography	-0.962	-0.888	-0.650
970190	Painting	0.900	0.228	-0.388
830629	Sculpture	-0.924	-0.872	-0.765
970200	Painting	-0.992	-0.643	-0.601
442010	Sculpture	-0.678	-0.623	-0.745
830621	Sculpture	-0.217	-0.552	0.146
691390	Sculpture	-0.935	-0.927	-0.932
970500	Antiques	-0.990	-0.957	-0.984
691310	Sculpture	-1.000	-0.998	-0.996
970400	Antiques	-0.928	-0.983	-0.967
370510	Photography	-1.000	-0.973	-1.000
370590	Photography	-0.994	-0.988	-1.000

Source: ITC Trade Map; India Exim Bank Research

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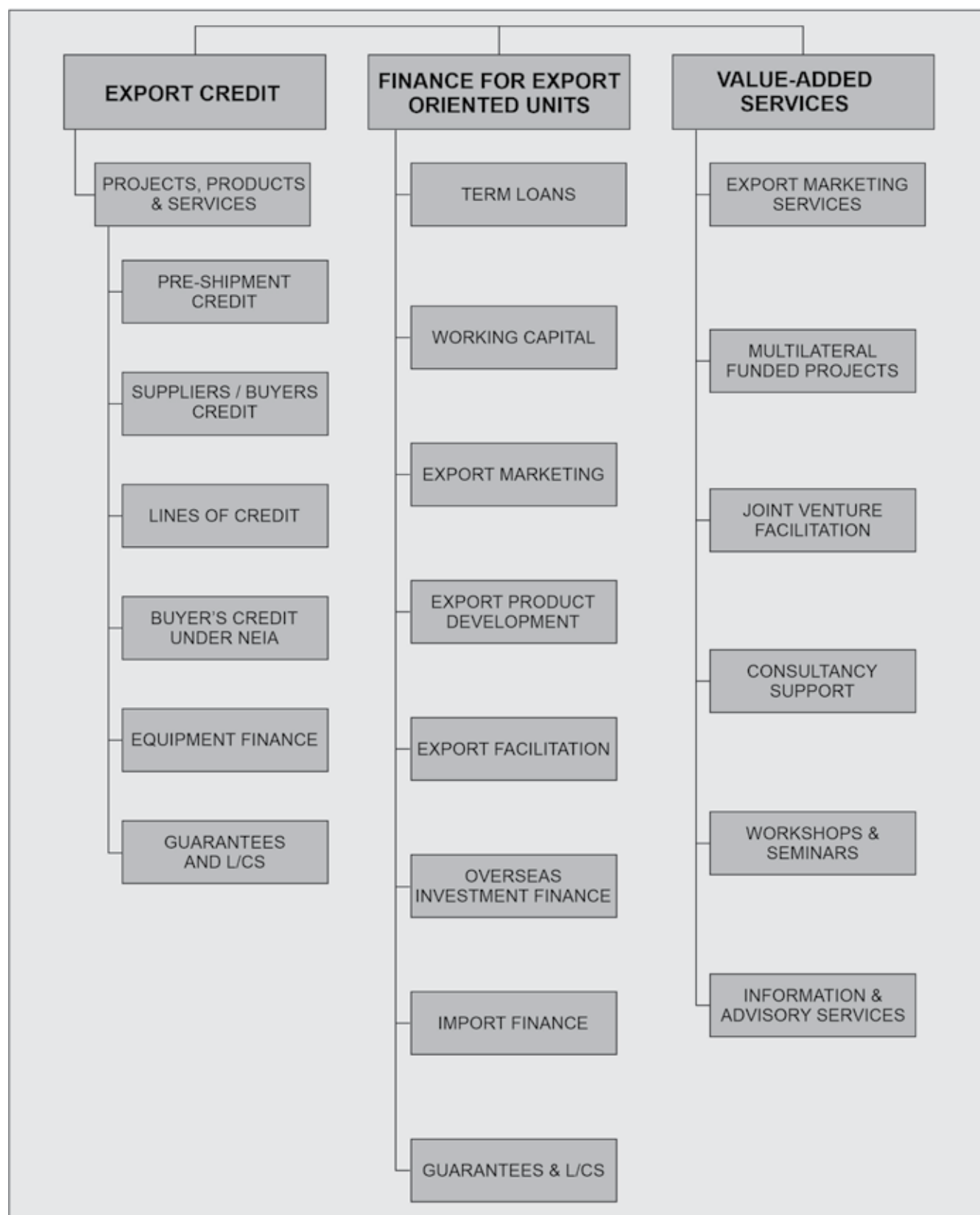
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