

Human Resource and Skill Requirements in the **Media and Entertainment** **Sector** Executive Summary



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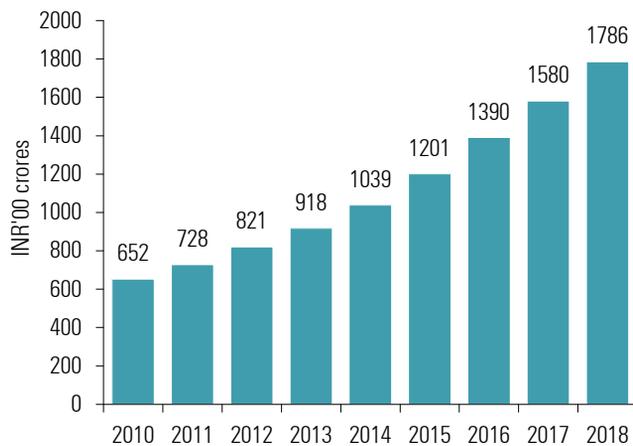
Industry Overview

The M&E sector is expected to witness strong growth over the years with television being the most dominant segment

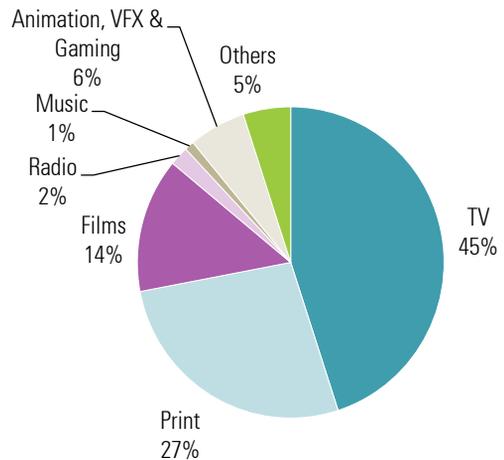
Overview of Media and Entertainment sector

- The industry largely depends on advertising revenues, and the growth and performance of this sector plays a significant role in the upliftment of the overall economy
- The industry is not export-oriented, and most of its output is consumed indigenously. However, imports form a considerable portion of the industry and include imports of newsprints, set-top boxes and antennae.
- Most sub-sectors of the M&E industry allow FDI in varying limits. The government is currently contemplating a proposal to increase the FDI cap to 49 percent in all M&E segments under the automatic route
- With increasing digitization of content and convergence of distribution platforms, technology is increasingly playing an important role across the M&E value chain

Media and Entertainment sector in India

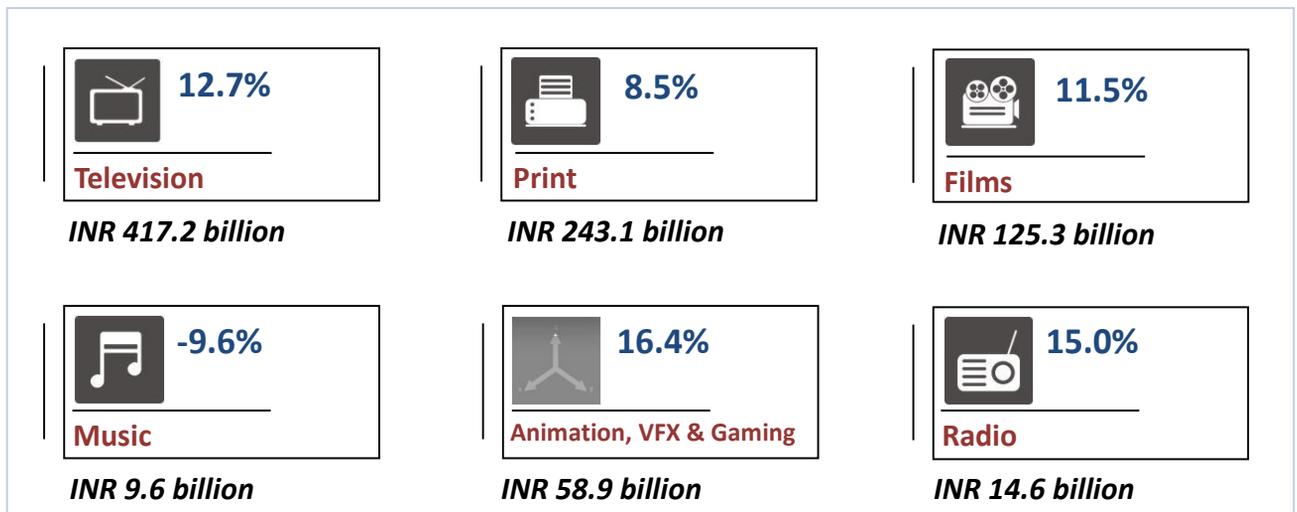


Break-up of M&E sector (2013)



- The Indian M&E industry grew from INR 821 billion in 2012 to INR 918 billion in 2013, registering an overall growth of 12.7 percent; and is projected to grow at a healthy CAGR of 14.2 percent to reach INR 1,786 billion by 2018

Sub-sector Growth Rates (Y-O-Y, 2013) and Market Size (2013)

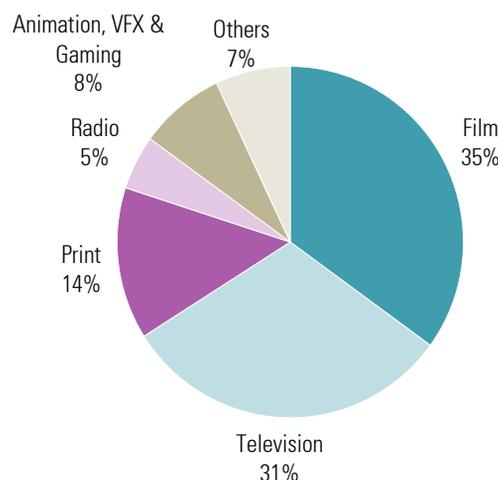


Sources: KPMG in India analysis

The Indian film industry suffers from under-penetration of screens and has a workforce primarily dominated by freelancers

- **Workforce dominated by freelancers:** Across India, approximately 25 percent of the total people employed in the M&E sector work with the film sector. A majority of them are contract workers/freelancers as opposed to full-time employees. On the contrary, in 2010, only 5 percent of the total media and entertainment workforce in the UK was employed with the film sector with 25 percent freelancers.
- The total current employment in the Media & Entertainment sector is estimated at ~0.46 million, and is projected to grow at a CAGR of 13 percent to reach 0.75 million by 2017.
- A break-up of the employment across the various sub-sectors is provided in the accompanying graphic.
- The Indian Media and Entertainment sector which is expected to grow at a CAGR of 14.2 percent to reach INR 1,786 billion by 2018 has a high demand for skilled professionals across each of its sub-sectors
- Film and Television sectors employ a major portion of the workforce. This demand is triggered by digitization activities in both films and television arena; and launch of new channels across genres

Media and Entertainment sector employment, 2013; 100% = 0.46 million



Distribution of M&E hubs across India

State	Key attributes
Haryana/Delhi NCR	<ul style="list-style-type: none"> ▪ Noida, Gurgaon and Delhi have led the growth of television, radio, print, music, films and advertising sectors ▪ Noida Film City houses Marwah Films & Video Studios and the Asian Academy of Film & Television
Maharashtra	<ul style="list-style-type: none"> ▪ Maharashtra is known to have significant presence of films, television, music, print, radio and animation ▪ Mumbai being the headquarters for a number of M&E companies and also home to Filmcity that serves as a venue for several Bollywood film shootings
West Bengal	<ul style="list-style-type: none"> ▪ West Bengal has a significant presence of films, television, print and music sectors ▪ Triggered by the demand for print dailies, both ABP and the Times group launched youth focused Bengali dailies, E Bela and Ei Samay
Andhra Pradesh	<ul style="list-style-type: none"> ▪ Ramoji Film City in Hyderabad is the largest integrated film city in the world ▪ The state government is setting up a GAME (Game, Animation, Media and Entertainment) City by 2014 end
Karnataka	<ul style="list-style-type: none"> ▪ Television, films, music and animation sectors are the key drivers of Karnataka M&E industry ▪ To cultivate the animation sector, the state government unveiled the Animation, Visual Effects, Gaming and Comics (AVGC) policy in 2012

Incremental Human Resource Requirement (2013-22)

Industry currently employs 0.4 million workforce in 2013 which is expected to reach 1.3 million by 2022

Industry largely depends on advertising revenues and performance of Industry is largely dependent on the overall economy outlook. Industry currently employs 0.4 million workforce in 2013 which is expected to reach 1.3 million by 2022 translating into 0.9 million additional employment opportunities during the period 2013-22. Owing to high dependency on human resources, industry would have a strong correlation between employment growth and output value. Labour elasticity for the period 2013-22 is pegged at 0.55 considering the technological advancements and emergence of new media segments. Labour elasticity factors have considerable variations across the sub sectors depending on nature of activities undertaken.

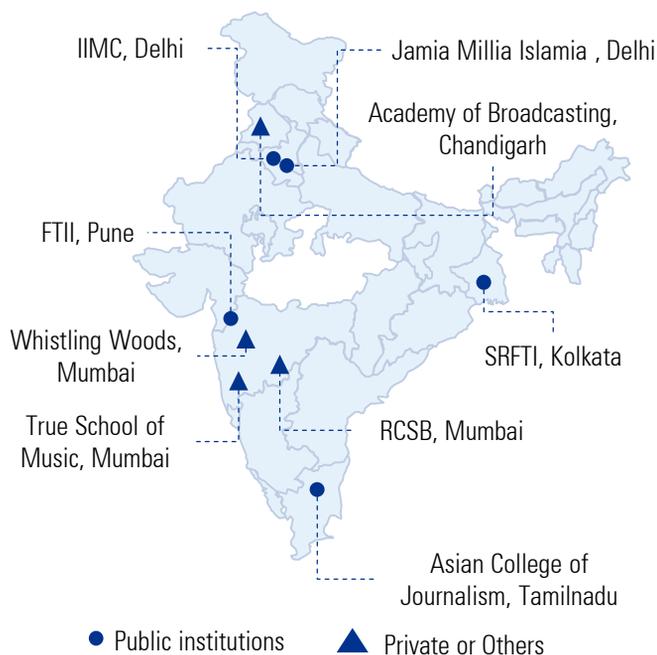
Sub Sector	Employment(in Million)		
	2013	2017	2022
Television	0.14	0.28	0.64
Print	0.06	0.07	0.13
Radio	0.02	0.03	0.04
Animation, VFX and Gaming	0.02	0.03	0.04
Films	0.16	0.24	0.44
Overall Sector	0.4	0.65	1.3

Sub Sector	Employment Growth 2013-17	Employment Growth 2017-22	Employment Growth 2013-22
	(In millions)	(In millions)	(In millions)
Television	0.14	0.36	0.5
Print	0.01	0.06	0.07
Radio	0.01	0.01	0.02
Animation, VFX and Gaming	0.01	0.02	0.03
Films	0.08	0.20	0.28
Overall Sector	0.25	0.65	0.90

Television and Films account for lion's share of employment growth in the sector during 2013-22. While the growth rate of employment in new media and Animation/Gaming is high, considering the relatively lower base of current employment the contribution to overall sectoral growth is limited.

Sub-sector	Key job roles facing skill gaps
Television	Management/ Executive Roles, Producer, Script-writers, Directors, Cameraman, Stage-hands (Light men, spot-boys, assistants), Journalists, Broadcast Operators, Media Management/ Archival
Print	Ad Sales, Copy Writing/ Copy Desk/ Features Writing, Photographers (Stills)
Film	Producers, Directors, Acting/ Voice-overs, Screen/Script writer, Stage-hands (Light men, spot-boys, assistants)
Animation, VFX and Gaming	Animators, Game Designers, Modelers, Script-writers, Programmers/Testers
Radio	Radio Presenters/ Radio Jockeys, Producers, Copywriters, Sound Engineers

Employers preference for supply sources: private and public training institutes



Actor's Studio, Orissa

- The acting programme at Actors' Studio which focuses on both TV and films is designed to integrate theory, analysis and practice in the classroom
- The programme uses a variety of techniques ranging from behaviour based methods to technology- oriented exercises designed to enhance performance for camera

Film and Television Institute of India (FTII), Pune

- FTII offers specialized courses for aspiring candidates eyeing film and television domains
- It receives around 5,000 applications from various parts of the country for admission to various PG diploma and certificate courses
- The total number of seats in the 11 courses is 132, with each course having 12 seats

Challenges impacting the growth of industry infrastructure development

- Industry players are yet to fully recognize the importance of training, skill development or education in media
- The students trained in a media course often have to compete with general stream graduates for a job, as the industry continues to hire general stream graduate students at the entry level who are expected to learn on the job
- Perception about media as a vocation- especially on the creative side- is often not favourable
- Lack of job security driven by company size and the widespread use of freelancers
- Unattractive salaries as compared to other industries and absence of clear career path for a student
- Owing to a high demand, several media schools opened however many of them lack quality, teach an outdated curriculum and are mostly ill-equipped to handle demands of the industry to train and skill manpower
- A lot of production houses in television, films, animation and news, in both print and broadcast, have in-house training schools but they lead to creation of a captive talent pool and do not benefit the industry at large
- In terms of overall vocational skill-sets development, the macro environment within the media industry isn't as evolved and conducive as mature industries like IT, manufacturing, engineering or pharmaceutical industries. This is also one of the reasons why the industry cannot really be the first career option for a majority of youngsters

Source: Press articles, KPMG in India analysis, FICCI-KPMG report 2014

Recommendation	Implications
<p>Create training capacities through credible media institutes with quality faculty and a dynamic curriculum particularly in television segment which enables the sector to tap into the right people in terms of training skills and capability</p>	<ul style="list-style-type: none"> ▪ Promote training infrastructure for Media and Entertainment industry through industry players and the government. Training institutions need financial support, so that they can develop infrastructure, for example purchase the latest equipment to train students ▪ Institutions need to pay close attention to teacher recruitment, training and create regularly updated curriculum in consultation with industry
<p>Focus on specific areas of training like production management in collaboration with leading management institutions in India to enable production houses draw synergies in production ventures and reduce costs</p>	<ul style="list-style-type: none"> ▪ High standard has to be maintained while imparting key courses, which necessitates collaboration with leading management institutions
<p>Introduction of media and entertainment related courses in secondary school education to promote the awareness levels on skill requirements in the industry</p>	<ul style="list-style-type: none"> ▪ The government must encourage media and entertainment courses as an option in popular ITI institutes so as to avoid isolation of the industry related courses ▪ Awareness needs to be created amongst the school students through vocational education in the sector during secondary school education creating awareness of opportunities in the sector
<p>Encourage formal skill development and training and incentives for animation/VFX and gaming</p>	<ul style="list-style-type: none"> ▪ Dedicated governing body is needed to look into the requirements of animation and gaming sector ▪ With success of TV show - Chhota Bheem and animated movie - Mahabhart, demand for workforce in animation industry would increase
<p>Promote and incentivize up-skilling of workforce to cope up with the changes including digitization, growth in multilingual markets, new technologies and convergence that demand additional skill sets for the workforce</p>	<ul style="list-style-type: none"> ▪ Up-skilling would serve as add-on for the employees. Provide skill premium for up-skilled candidates. ▪ Encourage employees to upgrade skills to remain relevant in the changing industry scenario ▪ Formalize the training relationship with product companies to certify and credit the employees who have undergone such training



cutting through complexity

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