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Former Ambassador of the U.S. to India
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U.S. Chamber of Commerce

**U.S.-India
Business Council**

April 30, 2024

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**Re: USIBC Comments on Consultation Paper (CP) on Inputs for
formulation of National Broadcasting Policy-2024**

Dear Shri Singh,

Since our inception in 1975, the U.S.-India Business Council (USIBC) has tirelessly promoted an inclusive bilateral trade environment between India and the United States, and consistently advocates for a strong, strategic relationship in support of entrepreneurship, job creation and economic growth. We participate in stakeholder dialogues to ensure that India's digital economic growth flourishes on par with the global digital and e-market ecosystem. As you may know, USIBC is an integral part of the U.S. Chamber of Commerce, the largest business advocacy organization in the world, operating throughout the United States and in over 50 countries to promote free enterprise and advance trade and investment, representing companies of every size and from every sector. USIBC directly represents some 200 companies based in India, the United States, Europe, and friendly Asia nations in support of U.S.-India commerce, investment, and innovation.

USIBC has a long history of working with TRAI and the Indian Government to provide a unified business perspective to promote pro-growth policies, connect decision-makers to industry, and offer thought leadership and international best practices. In the last 12 months alone, we have provided inputs to a half-dozen TRAI consultations, organized workshops, and events on advanced communications, and provide a platform for innovation, investment, and job creation in the digital, broadcast and telecom sectors. We hosted the TRAI Secretary at our India Ideas Summit in New Delhi, in September 2022, and regularly engage the Authority and Department of Telecommunications (DoT) in support of broadcast and telecommunications policy, sound regulations, and the development of the sector, including on fraud prevention, 5G spectrum auctions and implementation, satellite communications, and other critical and strategic technologies.



As a key industry stakeholder in the U.S.-India Initiative on Critical and Emerging Technologies (iCET), we actively foster strategies for long-term, multi-stakeholder bilateral cooperation in the telecoms and manufacturing sectors. During the iCET launch in January 2023, and again in September, we hosted the Indian National Security Advisor (NSA) and DoT Secretary (T) and his senior leadership. Last Summer, we led the Advance Telecom Working Group in Washington DC as part of the U.S.-India Information and Communications Technology Working Group (ICTWG) co-chaired by the Ministry of Electronics and Information Technology (MeitY) Secretary with DoT support. Thus, **USIBC is a trusted partner that promotes a vibrant Indian telecommunications and media and entertainment (M&E) sectors – from services and manufacturing to enabling a dynamic digital content, gaming and commercial satcom ecosystem.**

We also thank TRAI for considering and incorporating USIBC inputs to TRAI’s Pre-Consultation Paper on Inputs for Formulation of “National Broadcasting Policy” (Consultation Paper No. 18/2023) issued on 21st September 2023. A copy is attached as Appendix I.

We write today to share our comments on the TRAI’s Consultation Paper on Inputs for formulation of National Broadcasting Policy-2024 (Consultation Paper No. 03/2024) (NBP) issued on 2nd April 2024. We requested a two-week extension as USIBC has a large and diverse membership and requires time to obtain positions and develop consensus among our members. Broadcasting is the key constituent of India’s dynamic M&E sector and holds immense potential for growth. As of March 2024, according to Ministry of Information and Broadcasting (MIB) statistics India has 880 registered television (TV) channels, declining over time, and 386 private radio channels. These services cater to 165 million TV households and over 200 million weekly radio listeners, but around round 90 million households in India are yet to own a TV in India – at an average revenue per user (ARPU) of INR 217.5, this alone translates into INR 23,490 crores of opportunity per annum. The share of M&E in overall gross domestic product (GDP) remains less than 0.9% in India, which is lower than the global average of 3-4%, and the Gross Value Added (GVA) of copyright-relevant industries is 0.58% of the Indian GDP compared to the international average of 5.48%.

An enabling policy framework can provide the needed stimulus for the broadcasting industry to capitalise on this potential and position India as a ‘Vishwa Guru’, or global leader in broadcasting, aligning with the Government’s vision of a \$5 trillion Indian economy. The NBP can be a valuable tool for this growth, by bringing forth policy principles to guide the development of the sector and increase its contributions to the Indian economy. However, the scope of the NBP goes beyond TRAI’s jurisdiction. It is therefore important that the NBP consultation and subsequent consultations involve all relevant government policy owners and stakeholders.



Before we outline our recommendations and suggestions for the NBP, we would like to take this opportunity highlight our preliminary observations and certain principles that must be kept in mind while drafting the policy.

1. We request that TRAI limit the scope of the policy to solely to the broadcasting segment.

The NBP extends its scope to OTT services and other M&E segments like gaming and music. OTT services differ from the broadcasting ecosystem in several respects given that OTT services not covered under the Telecommunications Act, and other important distinctions relating to customer use and stage of development.

Moreover, TRAI regulates carriage, and its remit extends to authorized entities under the Telecommunications Act, 2023 and registered cable network under the Cable Television Networks (Regulation) Act, 1995 (CTN Act) as per Section 59 of the Telecommunications Act. OTT services do not fall under the definition of ‘telecommunication’ or ‘telecommunication services’ under the Telecommunications Act, 2023 and are not authorised entities under it. Neither do they require registration under the CTN Act. **In this context, the inclusion of OTT services as a whole and Online Curated Content Providers (OCCP) as a subset, is unwarranted.**

Industry stakeholders had highlighted these issues in the pre-consultation and requested the regulator to exclude OTT services from the scope of the NBP, but the current CP includes questions on OTT services. This is an untenable position because:

- TV broadcasting and OTT markets are at different stages of development. OTT is a sunrise sector with potential for growth and in a position to contribute positively towards India’s digital economy. It needs a growth-oriented forward-looking policy approach. On the other hand, TV broadcasting requires an action plan for resilience during the downward trend. These are two fundamentally different imperatives.
- Infrastructure pipes for delivery of broadcasting and OTT services are distinct and require specialised policy and regulatory oversight.
- Television (TV) is a push-based medium where consumers view content at a time and schedule decided by the broadcaster. It involves point-to-multipoint transmissions. OCCPs, on the other hand, are pull-based, point-to-point transmissions, where consumers decide the time and content they want to watch from a library of available content. According to a market study conducted by the Competition Commission of India (CCI) in 2022 on the film distribution chain in India, TV and OCCP services each serve differing needs for consumers.¹

¹ COMPETITION COMMISSION OF INDIA, PRESS RELEASE, Market Study on Film Distribution Chain in India: Key Findings and Observations ([link](#)).



- Friends and family view TV together. A survey by Broadband India Forum (BIF) and CUTS International found that 38% of respondent consumers watch TV as a family bonding exercise while users view OTT services on their smartphones. Thus, OTT content is non-linear, on-demand and not intended for public, point to point, exhibition.²
- Under the Allocation of Business Rules, 1961, the Ministry of Electronics and Information Technology (MeitY) administers the Information Technology Act, 2000 and other policy matters and laws related to information technology, the internet, and services they enable, including OTT services and gaming.² MeitY already has a vision, policies on software and electronics manufacturing, and has set a target of unlocking \$1 trillion value from India's digital economy by 2025.³ There is no need for separate policy impetus under the NBP.

2. As Broadcasting Content and carriage require distinct policy attention under the NBP, we recommend that there is no need for a single regulator for content and carriage.

Broadcasters produce and package content that distributors carry to consumer homes using their own networks. These are two distinct activities of the broadcasting supply chain. Policy and regulatory principles that apply to the two activities i.e., (i) installing and maintaining TV distribution networks; and (ii) producing content to be distributed on TV distribution networks are different. Broadcasting carriage policy and regulation must solve for competition and ease of doing business to promote orderly sectoral growth and ensure quality of service and effective choice in consumer interest. These are the statutory objectives outlined in the TRAI Act, 1997. Broadcasting content policy and regulation should create incentives to produce novel and innovative content, generate intellectual property rights (IPR) that add value to the Indian economy, and guarantee access to diversity and plurality of opinions.

The 1999 Sub-Group on Convergence (the Nariman Committee) discussed the need to separate content regulation from carriage regulation in broadcasting. Sub-Group I highlighted the TRAI's capacity constraints in broadcasting regulation and noted that the nature of the market and disputes in the broadcasting sector are different from the telecom sector, and the added responsibility over broadcasting would be cumbersome for this reason. Sub-Group III opined that it is imperative to separate broadcast carriage regulation and content regulation. Currently, the separation exists with the TRAI regulating carriage, and the MIB regulating content.

Even in countries that have a converged regulator, there is separation of carriage and content. Germany regulates broadcasting content through collaboration between 16 state media. The state media authorities collaborate on licensing and supervision, and

² Effective Consumer Choice key for Indian TV Viewers: BIF-CUTS Survey ([link](#))

³ INDIA'S TRILLION-DOLLAR DIGITAL OPPORTUNITY ([link](#))



development of private broadcasting. They are also responsible for the compliance of private TV and radio broadcasts with basic programming principles. The Federal Network Agency regulates telecommunications.⁴

3. We recommend that the NBP should lower the intensity of the existing regulation to reduce the burden on heavily regulated activities like TV distribution in line with ‘Minimum Government’ ‘Maximum Governance’.

Distribution Platform Operators (DPOs) are essential for broadcasting value chain as they provide carriage services, unlike OTTs which do not engage in carriage services and rely on telecom infrastructure for the same. This calls for differential treatment for both. Currently DPO’s are heavily regulated. We submit that the TRAI should instead look at deregulation of the broadcasting sector including aspects like license fee for DPOs and level down on heavily regulated activities.

Policy interventions have progressively liberalized regulatory frameworks in the interest of Ease of Doing Business (EoDB). For example, the National Digital Communications Policy (NDCP) 2018 committed to “*remove regulatory barriers and reduce regulatory burden that hampers investments, innovation and consumer interest...*”⁵

The TRAI has always advocated for deregulation. TRAI forbore tariffs for cellular mobile services vide the 23rd Amendment to the Telecom Tariff Order on September 6, 2002. The TRAI’s 2020 Recommendations on a Regulatory Framework for OTT Communication Services noted that “*any regulatory intervention may have an adverse impact on the industry as a whole*” and market forces should be allowed to operate.⁶

TRAI introduced economic regulations in the broadcasting sector to bring about effective competition in the sector. However, in its recommendations dated October 1, 2004, TRAI recommended a sunset date for all price regulations once there is sufficient competition in the market.⁷ The TRAI had said:

It must be emphasized that the regulation of prices as outlined above is only intended to be temporary and till such time as there is no effective competition. The best regulation of prices is done through competition. Therefore, as soon as there is evidence that effective competition exists in a particular area price regulation will be withdrawn. TRAI

⁴ [Joachim Grittmann](#) and [Alexander Wilhelm](#), ‘The Technology, Media and Telecommunications Review: Germany’_The Law Reveiws, 6 January 2023, ([link](#))

⁵ 8, Preamble to the National Digital Communications Policy 2018, ([link](#))

⁶ TRAI Recommendations on Regulatory Framework for Over-The-Top (OTT) Communication Services (2020), , para 2.4., ([link](#))

⁷ TRAI Recommendations on Issues relating to Broadcasting and Distribution of TV Channels. (2004) in Para 4.43., ([link](#))



will conduct periodic reviews of the extent of competition and the need for price regulation in consultation with all stakeholders.”

We submit that the TRAI should recommend deregulation of broadcasting as the underlying and priority principle in the NBP. The TRAI should also recommend periodic market assessments and review of the existing regulations on channel pricing and packaging. The broadcasting policy ought to be based on the principles of forbearance for all carriage in broadcast and support the self-regulation framework for all aspects of content.

4. We recommend that the NBP should not prescribe any local quota requirements on TV or OTT content producers.

There is strong demand for local/regional content by the Indian audience. TV and OTT services have responded to the demand for Indian content with high levels of production investment, and diverse local content is widely available and accessible to consumers in India. Data on investment and availability of Indian content do not support the assertion of any market failure or the need for local content obligations.

Consumers have easy access to regional content on several regional language TV channels, and other services, especially music streaming services, which cater to niche, regional audiences. On TV broadcast, only 1% viewership is attributable to English. 56% of Indian TV viewership is in regional languages and 43% in Hindi.⁸ Even the market share of regional OTT services increased from 47% in 2021 to 52% in 2023.⁹

For music, all major music streaming services in India make available vast musical repertoire in all the regional languages and Indian music accounts for over 70% of total streams in the country. Also, Indian music industry is a sunrise sector with double-digit year on year growth in both domestic consumption and exports, and there is no evidence that this sector needs regulatory intervention to nurture domestic content creation. It is estimated that India could become the world’s largest music streaming territory by volume this year.

Market demand and healthy competition have incentivised content producers to differentiate their offering and create many regional TV channels. Even other services have provided access to content in varied local and regional languages. Local content quotas are an inorganic market intervention that would diminish the unique selling point regional content services offer.

⁸ Ibid.

⁹ FICCI-EY, #Reinvent India’s media & entertainment sector is innovating for the future (2024), ([link](#))



Further, technological developments like the availability of subtitles and audio in various Indian languages ensures that Indian local and regional content is easily accessible to the global consumers regardless of the language that it is produced in, and likewise for global content to the local/regional Indian consumers. There is no rationale case for introducing local content quotas in an already healthy growth and considerably competitive market spanning the various languages and culture of India.

5. **We recommend that the NBP should not prescribe any public service obligations on private broadcasters or OTTs.**

Content producers respond to consumer demand for plural and diverse content and fulfils its core social objectives organically. An inorganic requirement to mandatorily allocate and invest resources towards meeting the public broadcaster's objectives diminishes creative autonomy and the ability to cater to the diverse needs of consumers. Private content producers cannot stand in for the public broadcaster, which already receives statutory funding to produce content in public interest.

Public service broadcasting is the primary and exclusive remit of the public broadcaster, and Prasar Bharti-owned Doordarshan (DD) channels and All India Radio (AIR) should take the lead in public service broadcasting, achievement of social goals, and environmental responsibility. Section 12 of the Prasar Bharti Act lists the functions of the public broadcaster, and guiding objectives that it should follow. Social goals and other public related objectives in broadcasting fall squarely in the public broadcaster's domain, for which the lead and responsibility/ accountability ought to be shouldered by the public broadcaster.

The CP proposes an obligation on registered OTT services to carry DD channels to promote Indian content. MIB has also included this obligation under Section 6 (1) of the publicly available Draft Broadcasting Services (Regulation) Bill. Regulatory requirements to mandatorily allocate and invest resources for meeting public broadcasting objectives impact creative autonomy and the ability to cater to the diverse needs of OTT consumers. Examples cited in the CP like Prasar Bharati's Memorandum of Understand (MoU) to carry DD channels in foreign jurisdictions is an example of a voluntary licensing agreement. Similarly, any agreement between private services and the public broadcaster should follow negotiations and licensing on fair, reasonable, and non-discriminatory terms as is common practice around the world.

6. **We recommend that there is no need for a government prescribed audience measurement mechanism.**

The CP proposes an expansion in the scope of TV audience measurement mechanisms to cross-platform audience measurement that also includes OTT audience measurement.



The government's existing guidelines substantively address audience measurement for TV broadcast. The government accordingly monitors and reviews audience measurement frameworks under these guidelines. Other content-based services already use variety of methods to aggregate insights on user behaviour and evaluate content to meet preferences and demands. Some of these methods may include Monthly Active Users (MAU), Cost Per Minute (CPM), or Cost Per View (CPV). Given the range of methods already being used by other content services, the need for homogenisation or cross reference with TV is unnecessary and not required.

7. India's Allocation of Business Rules clearly assign governance of the online gaming to MeitY, and hence should be outside the scope of the NBP.

In December 2022, the Government amended its Allocation of Business Rules, which was followed by stakeholder consultation that resulted in updating the IT Rules that established a national regulatory framework for online gaming intermediaries that safeguard the interests of the users and promotes an orderly growth of the sector. The rules permit and define online real money games as any online real money game not involving wagering on any outcome. The IT Rules further promulgate a voluntary code of ethics overseen by self-regulatory organizations (SRO) adopted by industry. Beyond the IT Rules, online gaming in India is regulated via advisories issued by the Central Consumer Protection Authority (CCPA), MIB, the Advertising Standards Council of India (ASCI), and the Finance Act which governs taxation. When taken together, it becomes both unnecessary and counterproductive to also include gaming in the NBP.

USIBC thanks you for considering our position. We request to be included in any deliberations on the subject, both formal and informal, given the stakeholders we represent, including many Indian companies. Should your office have any questions, my colleague, USIBC Senior Director of Digital Economy Aditya K. Kaushik, akaushik@usibc.com would be happy to address them. USIBC is committed to enhancing commerce and investment between India and the United States and is grateful that our submission will be given consideration.

Warm regards,

Jay Gullish
Executive Director
U.S.-India Business Council



Appendix

Q1. Stakeholders are requested to provide their inputs in framing the Preamble, Vision, Mission and Broad Objectives for the formulation of the National Broadcasting Policy (NBP)

The NBP should focus on the “broadcasting” that requires spectrum and covers services via point-to-multipoint transmission. The requirements of other industries like content creation, animation, gaming, and streaming are different, and a one-size-fits-all approach would not help in unlocking value across all industries.

Q4. What other policy and regulatory measures should be adopted in the policy for creation and expansion of quality Indian content to make India the ‘Global Content Hub’? Further, suggest how to extend support to local talents and content developers in terms of training, infrastructure and incentives. Provide your comments with detailed explanation.

The Indian content industry is one of the most prolific in the world, eclipsing several other countries. Market forces and consumer demand have driven investment in content creation, as well as ancillary services. There doesn’t appear to be any tangible benefit to government interference in the sector (particularly since the same may lead to bureaucratic red tape, and delays.

Unlike smaller economies that do not have a substantial local market for consumption, the Indian video market has demonstrated a demand for locally produced content, this is evidenced by:

- theatre occupancy for locally produced content far exceeding foreign content,
- huge investment by foreign studios in local content,
- huge investments by foreign streaming services in creating and licensing locally produced content, and
- the robust syndication market overseas for Indian content (both in the original language as well as dubbed in foreign languages).

Government intervention, if any, should be limited to production incentives, and ups skilling the work force to ensure that India is able to offer services on par with other nations. The model used in Korea as described at CP paragraph 2.43 appears to have delivered better results as compared to countries with more the restrictive policies.

Q7. What policy measures and regulatory aspects should be adopted in the NBP to nudge the growth of Indian regional content through OTT platforms?

Streaming services are currently adequately regulated under the Information Technology Act, 2000 and the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. Any overlapping regulation is likely to be detrimental to the industry and increase compliance costs. Additionally, the proliferation in streaming services in India indicates that the industry is experiencing healthy growth, and hence regulatory intervention isn’t required.



The NBP should not prescribe content quotas on OTT services. OTT services tailor their production strategies to meet consumer demand, and there is strong demand for local/regional content by the Indian audience. OTT services have responded to the demand for Indian content with high levels of production investment, and content is widely available and accessible to consumers in India. The 2024 edition of the FICCI EY M&E report reveals that in 2023, regional OTT volumes exceeded Hindi language content for the first time. The same report also indicates that the share of vernacular content produced in India is set to increase to 55% of total content produced.¹⁰

Thus, data on investment and availability of Indian content on OTT platforms does not support the assertion of any market failure or the need for local content obligations.

- There is a need for policy stability and the need for regulatory environment to enable creative freedom to encourage the growth of world class content in India, thus supporting India to become a global content hub.
- OTT services meet the demand for availability of multilingual content by providing subtitles and audio in various Indian languages. This ensures that global content is easily accessible to Indian consumers regardless of the language that it is produced in.
- The market share of regional OTT services increased from 47% in 2021 to 52% in 2023.¹¹ Consumers have easy access to regional content on services which cater to niche regional audiences. Market demand and healthy competition incentivises regional platforms to differentiate themselves. Local content quotas are an inorganic market intervention that would diminish the unique selling point regional content services offer.
- Increased investment in local content is an organic market response to competition for eyeballs. This is because catering to consumer preferences is key and offering unrelatable content can lead to a loss of subscribers. Complete creative control has allowed OTT streaming platforms to offer diverse content slates that cater to varying consumer preferences. Mandatory impositions to create certain kinds of content (local content, in the NBP's case), can endanger this creative freedom and stifle growth. A negative impact on growth can have a direct effect on jobs, development of hardware and software capacity, and other contributions to the Indian economy.

Quota requirements do not produce the intended effect and harms India's prospects of becoming a global content hub. Protectionist policies like quotas can have the following downsides:

- Quotas can deter the development of the local industry, since they prevent open and fair competition.² A lack of competition reduces incentives to innovate and improve efficiency, leading to stagnation. It can also reduce product variety and quality.³ Frontier Economics' analysis indicates that policies like quotas lead to a reduction in the export of audio-visual products, with countries that have greater policy restrictions tending to have lower levels of investment in content.

¹⁰ Ibid.

¹¹ Ibid.



- They can distort market dynamics by artificially limiting supply, preventing markets from developing naturally. For example, the Korean government abolished a screen quota after it left cinema halls empty due to lack of available films.⁴

The NBP should not mandate OTT services to carry DD channels. The CP proposes an obligation on registered OTT services to carry DD channels to promote Indian content. MIB has also included this obligation under Section 6 (1) of the publicly available Broadcasting Services (Regulation) Bill. Regulatory requirements to mandatorily allocate and invest resources for meeting public broadcasting objectives impact creative autonomy and the ability to cater to the diverse needs of OTT consumers. Examples cited in the CP like Prasar Bharati’s MoU to carry DD channels in foreign jurisdictions is an example of a voluntary licensing agreement. Similarly, any agreement between private services and the public broadcaster should follow negotiations and licensing on fair, reasonable, and non-discriminatory terms as is common practice around the world.

Q9. Online gaming being a rising sector holds potential for contributing to economy, what policy and regulatory aspects should be adopted for the orderly growth of online gaming in India? Further, suggest measures to support local game developers to compete and grow. Also suggest safeguards to protect general public (especially underage players) from negative and psychological side effects, while promoting healthy gaming.

Gaming is not a broadcast activity, and as such isn’t relevant to a broadcasting policy, and the policy has underscored the transformative impact of online gaming, not just as a recreational activity but as a significant driver of innovation, investment, and economic growth within India’s digital economy. With the second-largest gaming community globally, boasting over 450 million users, India’s gaming sector has emerged as a formidable force, projected to surpass movies, music, and television combined soon. Moreover, the sector’s rapid expansion, growing at a rate of 22% reaching INR16,428 crore in FY23 has proven to be the primary contributor to the growth of M&E sector. This boost is largely attributed to several factors like widespread smartphone penetration, improved internet connectivity, a growing youth population, and the development of local gaming content.

Despite its exponential growth, India’s share of the global gaming market remains a modest ~1% of global online gaming revenue, underlining the need for an enabling regulatory framework that ensures the sector grows orderly and is competitive across global markets. Recently, The Honorable Prime Minister’s has also envisioned India as a global game development hub as part of “Create in India” and “Brand India” initiatives.

To support growth sector while safeguarding the interests of the general public, the government has created a set of IT Rules to prevent user harm. Specifics include:

- **Notification of a Self-Regulatory Boards (SRB) under the IT Rules 2021:** The online gaming rules notified by MeitY in April 2023 addresses various concerns of user harm by introducing the concept of ‘permissible online game’ that allows only such online real money games in India that are verified by SRBs (self-regulatory body) and not involve wagering on any outcome, enabling a clear distinction between skill based and chance-based game. Given the existing legislation on the sector



and urgency to bring uniformity in regulatory framework, primary focus of the government should be on immediate notification and activation of SRBs fostering a uniform treatment of online gaming throughout the country and cultivating a standardized national market. The Ministry may also explore alternate forms of regulatory framework after consultation with relevant stakeholders if there are concerns around independence of the SRBs persist.

- **Support for Local Game Developers:** The rapid growth of the Animation, Visual Effects, Gaming, and Comics - Extended Reality (AVGC-XR) sector in India has made the sector an important growth engine for the economy. While India only accounts for ~1% of the global AVGC market, there is immense potential for the sector to grow with indigenous potential for game development which gets translated through the games of Indian culture and diverse history. The sector has immense capacity to make Indian culture accessible to the world, by building impactful indigenous intellectual property that can help preserve our culture and pass it to the world in contemporary formats. The Union Government's initiative in releasing the draft National AVGC policy plays a crucial role in fostering holistic growth within the AVGC sector in the country. Additionally, various state level initiatives Karnataka and Kerala offer a forward-thinking approach in recognizing the immense potential of AVGC. Hence to further promote game development in India, the government must focus on finalizing and enacting the National AVGC policy.¹²

Furthermore, the establishment of the proposed National Centre of Excellence (CoE) and regional CoEs, as defined in both the draft national policy and state policies, holds significant promise in realizing the government's vision of fostering indigenous game development. These centers once established would serve as vital hubs for innovation, skill development, and collaboration within the gaming ecosystem. Moreover, to further unleash the full potential of the gaming industry, we must foster greater synergy between state and central government entities appointed with development of AVGC policies.

Q10. What further steps and initiatives should be adopted by the Central and State Governments and the industry for the growth of animation, VFX and post-production segment? Provide your comments with detailed reasoning and justification.

A versatile approach involving government at all levels, industry and other stakeholders is central to advance growth the creative sectors. Here are a few recommendations to consider:

- **Scale Existing and New Hubs:** Build upon existing centers, programs and initiatives to create globally competitive clusters. There is lot of existing studies and analysis, but leveraging skills and academic programs is also valuable as universities often spin off and commercial technology, and provide a hub for people and ideas. For example, efforts could leverage cloud-based infrastructure and proposed film cities across various states like UP, Maharashtra, Tamil Nadu, and others, will provide opportunities for large international studios to set up operations in fit-for-purpose locations. By providing the necessary technological backbone and conducive environments, India can attract international studios and projects.
- **Build Local Stories While Protecting Intellectual Property Rights:** India has a rich and underutilized reservoir of local stories, brands and characters. Leverage the creative sector to build out these properties. By nurturing and promoting Indian content, India can carve out a distinct

¹² MIB AVGC Website ([link](#))



identity and create market opportunities in global animation and VFX landscape. India has already proven itself capable of creating kids-friendly local stories content for global audiences. By drawing inspiration from Indian mythology and leveraging iconic characters, India can capture international audiences' attention. There is also recent interest by PM Modi on building the gaming and esports industry in India which has ability to compete with global market. Of course, a strong IPR regime — including robust copyright protection—built on global best practices is essential.

- **Government Incentives for Export Promotion:** Existing incentive schemes for international animation, visual effects (VFX), and post-production projects should be further promoted and expanded. Initiatives like offering up to 30% reimbursement on minimum expenditures INR10 million, with additional bonuses for significant Indian content, enhance India's attractiveness as a destination for foreign collaborations.
- **Strengthening Industry Alliances with a Focus the American Ecosystem:** Partnerships with international associations and platforms often facilitate co-productions and financing opportunities. Forging such alliances broaden market reach and stimulate demand for VFX services. This could include visits to M&E hubs in New York, Los Angeles and Austin. USIBC stands ready to support these initiatives.
- **Bridging the Talent Gap:** Collaboration between studios and educational institutions is crucial for nurturing talent. Initiatives like offering animation and VFX courses and establishing incubation centers prepare aspiring professionals for the evolving demands of the industry.

Q13. With the continuous advancement of technologies and convergence of the telecom, information technology and broadcasting sectors, what policy and regulatory measures are required, beyond the existing ones, to facilitate the growth of the broadcasting sector with ease of compliance? Elaborate your comments with proper reasoning and justifications to the following issues:

- To enable healthy and competitive environment amongst the existing and emerging services and ensuring parity among comparable distribution mediums, while being technology neutral.**
- To allow and encourage infrastructure sharing among the players of broadcasting and that with the telecommunication sector.**
- Any other suggestion for policy and regulatory framework**

The NBP should restrict its coverage to the broadcasting sector and exclude OTT services from its scope. The NBP extends its scope to OTT services and other segments of the M&E landscape like gaming and music. OTT services are not a part of the broadcasting ecosystem since they are functionally distinct from TV and radio broadcasting that involves a combination of carriage and content. TV broadcasters transmit their content to consumers through DPOs and OTT services send data over internet protocol (IP) networks, like any other information exchange over the internet.

TRAI regulates carriage, and its remit extends to authorized entities under the Telecommunications Act, 2023 and registered cable network under the Cable Television Networks (Regulation) Act, 1995 (CTN Act) as per Section 59 of the Telecommunications Act. OTT services



do not fall under the definition of ‘telecommunication’ or ‘telecommunication services’ under the Telecommunications Act, 2023 and are not authorised entities under it. Neither do they require registration under the CTN Act. The MIB’s reference letter does not mention OTT services. In this context, the inclusion of OTT services as a whole and Online Curated Content Providers as a subset, is unwarranted.

Industry stakeholders had highlighted these issues in the pre-consultation and requested the regulator to exclude OTT services from the scope of the NBP, but the current CP includes questions on OTT services. This is an untenable position because:

- TV broadcasting and OTT markets are at different stages of development in India. OTT is a sunrise sector with potential for growth and in a position to contribute positively towards India’s digital economy. It needs a growth-oriented forward-looking policy approach. On the other hand, TV broadcasting requires an action plan for resilience during a market downturn. These are two fundamentally different imperatives.
- Infrastructure pipes for delivery of broadcasting and OTT services are distinct and require different policy and regulatory oversight.
- Television is a push-based medium, and consumers view content at a time and schedule decided by the broadcaster. OCCPs are pull-based, where consumers decide the time and content they want to watch from a library of available content.
- Friends and family view TV together. A survey by BIF and CUTS International found that 38 per cent of respondent consumers watch TV as a family bonding exercise while users view OTT services on their smartphones.

For these reasons, we recommend that the NBP should restrict its coverage to the broadcasting sector and exclude OTT services from its scope.

Q17. What other strategies should be adopted in the policy document for ensuring a robust grievance redressal mechanism to address and resolve complaints with respect to content as well as services effectively? Provide your comments with proper explanation.

The current grievance redressal mechanism for OCCP works well and there is no need for a policy/regulatory overhaul. The self-regulatory approach for OCCPs under the IT Rules, 2021 is functioning well and there is no evidence of market or regulatory failure that requires added policy emphasis. An impact assessment study on implementation of the Rules conducted in 2023 found that the self-regulatory mechanism was working well.¹³

The government is also satisfied with the efficacy of the mechanism. In February 2023, Anurag Thakur, Union Minister, MIB said that the Ministry received and addressed all 265 consumer grievances against OCCPs since the IT Rules were implemented.⁶ MIB Secretary, Apurva Chandra,

¹³ IT Rules, 2021: A Regulatory Impact Assessment, July 2023, IAMAI ([link](#))



and⁷ former MIB Joint Secretary Vikram Sahay have also echoed the same view and added that the mechanism has led to a reduction in FIRs against content and its creators.¹⁴

Q18. What role the broadcasting sector should play to fulfil social and environmental responsibilities? Provide in detail the key focus areas and the strategies the sector should consider. Also provide strategies on the following specific issues:

- i. To empower Person with Disabilities (PwDs) to access the information and entertainment programmes**
- ii. To encourage gender equality w.r.t. the participation and safety of the women workforce**
- iii. To raise awareness about the issues of marginalized tribal communities, minorities and LGBTs**
- iv. To adopt green broadcasting practices**

Broadcasters and streamers are already making efforts to use technology to assist persons with disability, including sub-tilting and captioning of content. However, the other issues are not unique to the broadcasting sector and should be handled more holistically through broader stakeholder engagement and voluntary actions.

¹⁴ Drop in FIRs Against OTT content due to self-regulation Mechanism, Best Media Info, May 2023 ([link](#))