

### **Centres for Performing Arts as part of the ‘Smart City Project’**

#### **Background:**

The M&E Sector in India has an economic contribution of [US\\$23.9 billion and is on track to cross US\\$33.6 billion by 2021](#)<sup>1</sup>. A derivative or ancillary of the M&E sector is live events which has an economic contribution of [US\\$1.05 billion](#)<sup>2</sup>. These economic indicis are restricted to Film, TV and Music. It does not include the other creative industries like Theatre, Art (such as tribal Warli folk paintings) & Sculpture ([US\\$ 204 million](#))<sup>3</sup>, Crafts including handicrafts ([US\\$ 3.6 billion](#))<sup>4</sup>, Artisanal textiles (such as Phulkar from Punjab, Chanderi from Madhya Pradesh and Ikats from Andhra Pradesh)- [US\\$343 Million](#)<sup>5</sup>. The extended creative industry is a touch point for #skillindia #msmeindia #digitalindia #startupindia #makeinindia. It is also a huge employment generator in the formal and informal sector alongside self-employed and gig economy workers. Lastly, the Creative Industry has been identified as a champion sector by the [Department of Commerce, Ministry of Commerce & Industry, Government of India](#).<sup>6</sup>

#### **Co-relations between the Creative Sectors and Live Events on a global basis.**

In Britain, creative industries have broken the [£100 Billion barrier](#)<sup>7</sup> with the department for Digital, Culture, Media and Sport’s sectors being now worth a combined [£268 billion](#). Film, TV, radio, photography, music, museums, galleries and digital creative industries are all part of this thriving sector. These creative industries in turn have turbo charged the the UK live events industry worth [£39.1bn](#)<sup>8</sup> of which Music Events is worth £1.3bn and Festivals and Cultural Events are worth £1.1bn. The events sector in UK employs [530,000 people](#)<sup>9</sup> in 25,000 events businesses. Thus, over and above direct economic benefits, investments in a performing arts ecosystem can provide a boost to employment generation by the cultural and tourism sectors. Other examples include:

1. Per the Vancouver Music Ecosystem Study, released in May 2018, the music ecosystem in Vancouver which has a robust performance centre ecosystem generated revenues over CA \$690 million per year with an employment impact of [CA \\$520 million per year from 14,540 jobs](#)<sup>10</sup> created from direct music related employment and allied industry employment (F&B, etc.).

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<sup>1</sup> <http://ficci.in/ficci-in-news-page.asp?nid=16826>

<sup>2</sup> <http://ficci.in/ficci-in-news-page.asp?nid=19837>

<sup>3</sup> <https://assets.kpmg/content/dam/kpmg/in/pdf/2018/02/visual-arts-industry.pdf>

<sup>4</sup> <http://www.jhea.in/indian-handicraft-industry>

<sup>5</sup> <http://texmin.nic.in/sites/default/files/Textiles-AnnualReport2018-2019%28English%29.pdf>

<sup>6</sup> <https://www.indiaservices.in/About-Us#contentWrapper>

<sup>7</sup> <https://www.gov.uk/government/news/britains-creative-industries-break-the-100-billion-barrier>

<sup>8</sup> <https://www.hbaa.org.uk/content/new-report-values-uk-events-industry-%C2%A3391bn>

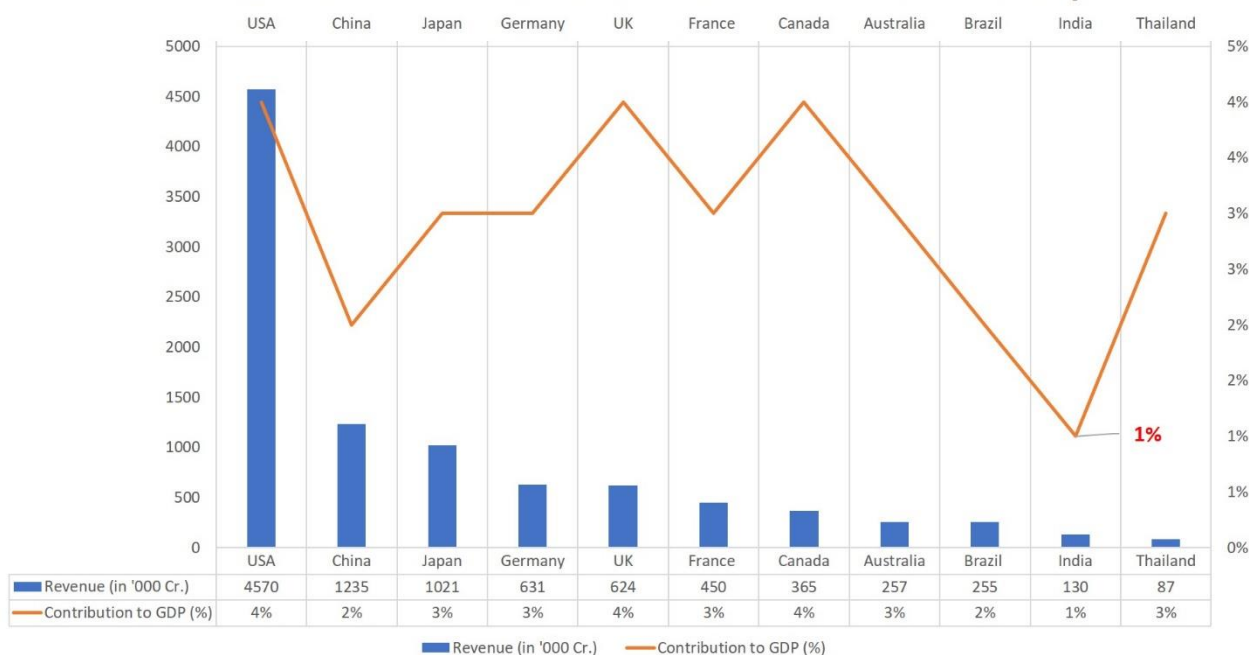
<sup>9</sup> <https://www.hbaa.org.uk/content/new-report-values-uk-events-industry-%C2%A3391bn>

<sup>10</sup> [musicbc.org/wp-content/uploads/2017/04/Vancouver-full-report-FINAL-19\\_07\\_2018.pdf](https://musicbc.org/wp-content/uploads/2017/04/Vancouver-full-report-FINAL-19_07_2018.pdf)

- Nashville's performance centre ecosystem through its Music City initiative is an impetus to tourism and was reflected in Nashville's tourism industry generating US\$ 6.5 billion from visitor spending, [\\$1.8 billion in state & local tax revenue and 184,300 jobs in 2017](#)<sup>11</sup>.
- Somerset, home to the Glastonbury festival is estimated to generate [£160 million a year from its live music ecosystem in addition to an audience attendance of 1.4 million](#)<sup>12</sup>.
- In France, the annual film festival in Cannes alone [generated €197 million with hotels close to the giant Palais des Festivals, where the red-carpet premieres are held, earning one sixth of their annual turnover during the festival](#)<sup>13</sup>

On similar lines, creative cities could be a tool to provide a fillip to India's economic growth. For instance, Esplanade in Singapore, the Opera House in Sydney, and the O2 in London are tourist attractions that are key to community engagement and bring in [millions in revenue and employment generation to the exchequer](#)<sup>14</sup>.

**Revenues and GDP Contributions of the Creative Sectors Globally**



15

### Recommendations to drive investments both FDI and domestic to the Expanded Creative Sector via Creative Performance Centres through India's Smart City Project:

<sup>11</sup> <https://www.bizjournals.com/nashville/news/2018/08/28/heres-how-many-billions-visitors-spent-in.html>

<sup>12</sup> [http://www.innerear.co.uk/wp-content/uploads/2018/06/Growing\\_the\\_Value\\_for\\_Music\\_Tourism\\_in\\_Glasgow\\_Report\\_Short\\_Version\\_by\\_Inner\\_Ear.pdf](http://www.innerear.co.uk/wp-content/uploads/2018/06/Growing_the_Value_for_Music_Tourism_in_Glasgow_Report_Short_Version_by_Inner_Ear.pdf)

<sup>13</sup> <https://www.asianage.com/life/travel/130519/cannes-film-festivals-crazy-boost-to-the-local-economy.html>

<sup>14</sup> <https://www.esplanade.com/-/media/files/annual-reports/esplanade-annual-report-2019.pdf?mw=640>

<sup>15</sup> BCG – CII M&E Report, 2017

**1) Smart Cities must include Creative Performance Centres**

A policy push from the nodal Ministry of Housing and Urban Development will lead to a spurt in investments in creation of Performance Centres at a nationwide level. Establishment of Public-Private partnership models with the entertainment and creative industries to develop performance centres, where the local state government or national sports bodies, investors alongside with local state industry stakeholders can aid in curation, promotion and operation of these centres. As detailed by the Ministry of Housing and Urban Development, Special Purpose Vehicles (SPVs) will be created as a partnership between the State, Urban local bodies, with private institutions participating on a project basis through joint ventures, public-private partnerships (PPPs) or turnkey contracts, etc., to monitor the development of each smart city. [For smart cities that are assigned as 'Creative Cities', institutions from the creative industries should be encouraged to participate as partners to the SPVs](#)<sup>16</sup>. Stakeholders from the creative industries, including trade associations and Chambers of Commerce, need to be encouraged to participate in the Smart City Advisory Forums as knowledge partners to develop Creative Cities.

**2) Comprehensive FDI policy to attract global majors to invest in smart city projects at state level**

Establishment of a pan-India single-window clearance system for investments at construction level. At the state operational level, a one-stop shop for applying for licenses, permissions and incentives in the form of subsidies from Centre to promote GI products and States to promote Declining Arts and Crafts given by both central and state governments will encourage investors. Most events held at these proposed performance centres bear a high cost and lowering the GST rate to 5% at the centres is further likely to attract investments. In addition, recognition of industry status for the events and festival organizers to enable them to avail banking facilities, such as loans, wherever required. Attractive policy frameworks such as tax concessions or exemptions to attract foreign investors in the live events ecosystem such as LiveNation, AEG, etc., in order to push investments in cultural performance centres and inculcate global best practices in the development and maintenance of such centres.

**3) Use of existing sporting infrastructure**

During the sporting off season period, bodies like BCCI, IHF, SAI, FFI have idle capacity to host Live Cultural Events and act as make shift performance centre but they will only act if there is a policy from the centre. The Football Association (FA), the owner of Wembley Stadium in London, posted record revenue of [£370 million in the 2015–2016 financial year](#)<sup>17</sup>, bolstered by a packed events calendar at the 90,000-cap. stadium- we should use this successful template.

**4) Partnership with countries**

Increasing national and international exposure across theater, dance and crafts industries; upgradation of new technology and settings and tapping into emergence of varied performances being experimented as sources for entertainment for the creative industry to capitalize through partnerships with nations with established model of creative collaborations like the UK, Canada

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<sup>16</sup> <http://smartcities.gov.in/upload/uploadfiles/files/SPVs.pdf>

<sup>17</sup> <https://www.iq-mag.net/2017/02/wembley-concerts-boost-record-fa-revenue/#.Xipr1WgzblU>

and the USA.