

## **Level playing field for all mediums must in GST regime: Print, Electronic and Radio**

**New Delhi, 20 January 2017** - To say business in all categories have been impacted by the Prime Minister's demonetization scheme would still be an understatement. Heroic, revolutionary, failed and poorly implemented have been the different terms to attribute the success or failure of this November 8 announcement depending on which side of the political spectrum one has been but there is no denying the fact that businesses across various sector have taken a substantial hit.

Just like the print media, which has been clamouring for a zero rating of newspapers under the new GST regime, fuming under mass retrenchment and closing down of various editions, the electronic medium and the radio though bleeding under cancellations of advertisements over 2000 crores have requested the government to treat them at par with the print counterpart as they cater to imparting of not only news, entertainment but also help educate the masses.

Indian Broadcasting Foundation, the apex body of the Broadcasters in the country with more than 400 channels and 90% of the viewership of the country, President Punit Goenka says, *'It is important that government recognises TV services which has evolved over the years as a product/service of mass consumption to be classified and categorized under the item of mass consumption having a GST rate of 5% so that it becomes affordable to masses. Not only does it provide infotainment, entertainment and influence public opinion but unlike the other mediums is also not constricted by level of literacy and is education agnostic. Going by the number of TV households, that stands at currently 120 million, we submit to the government that broadcast services i.e. TV & RADIO must be treated at par with the PRINT in the new GST regime. This submission is based entirely on the fact that TV services have become integral part of everyday life to the vast majority in the country and the general economic downturn globally has impacted the sector extensively.'*

As per the information updated by Ministry of Information & Broadcasting on 31st December 2016, there are 899 channels in the country out of which 399 are news and current affairs channels and 500 are non-news and current affairs channel. Some News channels shutting down precipitously or handing over pink slips on a mass scale is not something unheard of, however little does it find mention in the inks of the newspapers or the air time of the channels. Combine this with overcrowding of channels for the same advertising pie which itself has squeezed following demonetization and the rising infrastructure and 'content cost', it seems that many licenses would get either get cancelled or submitted voluntarily by the stakeholders.

*'Compounding the woes is the DAVP advertisements that all broadcasters have to mandatorily carry on their networks, the rates for which has not been revised since 2010 thereby consuming massive inventories. The rock-bottom rates are not at all in keeping with the existing market rates and allows little flexibility for maneuverability in carry out businesses and is heavily subsidized by the broadcasters'*, says Rohit Gupta, President, Network Sales and International Business, Sony Pictures Networks.

Speaking entirely from the perspective of smaller channels which may invariably close down or cut down content costs, both of which would have a cascading effect of viewer's choices. *'We urge the government to free the media, print, television and radio from the obsolete taxation squeezes and attacks on revenue streams, as the vitality of this industry is essential to protect the fibre of the country, both socially and economically,* says A Mohan, President (Legal & Regulatory), Zee Network.

*'The electronic medium and radio just like the print medium helps in shaping public discourse and any fragmentation due to incidence of indirect taxes going up would therefore lead to weakening of public conversation in particular and democracy in general by putting thousands if not lakhs at risk of losing jobs. The GST seeks to maintain or reduce the tax burden. 'It is high time that the government treats the fourth pillar of democracy at par as the sector is unprepared to take a tax hike under the new GST regime,'* says Girish Srivastava, Secretary-General of IBF.

It is also in the Government's best interest to have a exuberant and effusive media which needs to come under the domain of reasonable fiscal and labour policies. The current regulatory and tax regime should not be stifling. A step in that direction needs to be reflected in Budget 2017. **Mr Finance Minister, are you listening?**

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### **Indian Broadcasting Foundation**

*Indian Broadcasting Foundation (IBF) is a not-for-profit industry association. IBF represents and is dedicated to the promotion of television broadcasting in, to and from India. IBF members provide channels and programmes that deliver about 90% of television viewership in India. Member offerings cater to most of India's diversity and plurality in every language and in every genre of television viewing. The Foundation provides a meeting ground for its members to work in consensus on common goals. The Foundation offers a common platform/forum in which members' air new or improvement opportunities to arrive at implementable solutions. IBF has, over the years, achieved the unique position of the accredited spokes-body of the television broadcasting industry. IBF endeavours to work closely with and align industry, policy makers, regulators and partners so that the television sector in the media and entertainment industry grows to its fullest potential in an equitable manner.*