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Published by

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Foreword



India stands at a defining moment in its development journey. As the nation advances towards becoming a \$5 trillion economy and beyond, new engines of growth are emerging—rooted not only in industry and technology, but in creativity, culture, and intellectual capital. The creative economy, now formally recognized within India’s policy framework as the “Orange Economy,” represents one of the most promising frontiers for inclusive, sustainable, and globally competitive growth.

This report comes at a time of significant national momentum. The Union Budget 2026–27 has signalled a clear and progressive shift by positioning creative industries as a driver of workforce development and industrial expansion. This recognition is both timely and strategic. India’s demographic strength, rapid digital adoption, and unparalleled cultural diversity together create a unique foundation—one that few countries have had the opportunity to harness at such scale.

Yet, as this report insightfully highlights, the central challenge before us is no longer one of participation. India has no shortage of creative talent. The true opportunity lies in enabling economic conversion—transforming creative output into sustainable enterprises, scalable business models, and long-term value creation. This requires a systemic approach: building robust markets, strengthening intellectual property frameworks, enabling access to finance, and fostering deeper integration between education, industry, and global value chains.

The recommendations outlined in this report are both practical and forward-looking. They call for coordinated policy action, institutional innovation, and industry leadership to unlock the full potential of India’s creative sectors—from AVGC and design to media, crafts, and emerging digital content. Importantly, they emphasize the need to move up the value chain—from service providers to creators, owners, and exporters of intellectual property.

At CII, we believe that the creative economy can play a transformative role in shaping India’s next phase of growth—generating high-quality employment, strengthening cultural influence, and positioning India as a global hub for creative excellence. This will require sustained collaboration between government, industry, academia, and the creative community.

I commend the members for bringing together this comprehensive and timely analysis. It is my hope that this report will serve as a catalyst for dialogue, policy action, and industry engagement—helping to build an ecosystem where India’s creativity is not only expressed, but also valued, protected, and scaled.

Dr Udayant Malhoutra

Chairman

CII National Committee on Design,
Confederation of Indian Industry (CII) & CEO &
Managing Director, Dynamatic Technologies

Acknowledgements

This report has benefited immensely from the insights, expertise, and thoughtful contributions of distinguished practitioners and academicians who are deeply engaged with India's evolving creative and design ecosystem.

We extend our sincere appreciation to **Mr. Dhaval Joshi, Executive Director, SIMU LABS, India**, for his valuable industry perspective and forward-looking insights. His deep engagement with emerging creative technologies and innovation ecosystems has significantly enriched the strategic direction of this report. In particular, his inputs on immersive technologies, simulation-led design, and the evolving AVGC ecosystem have helped sharpen the report's recommendations on future-ready creative industries.

We are especially grateful to **Dr. Debayan Dhar, Associate Professor, Department of Design, IIT Guwahati**, for his rigorous academic inputs and nuanced understanding of design education and its intersection with industry. His contributions have added strong intellectual depth and clarity to the analysis presented. His perspectives on curriculum innovation, studio-based learning, and industry integration have been particularly valuable in strengthening the report's recommendations on education and skilling.

We also acknowledge with thanks **Prof. Dandeswar Bisoyi, Associate Dean, MIT Institute of Design, MIT ADT University, Pune**, for his inputs and perspectives.

We also wish to acknowledge the efforts of the CII team, Nitish Das and Namita Bahl, for their efforts in successfully conceptualizing, coordinating, and delivering this initiative.

Their collective contributions have played an important role in shaping this work, and we deeply value their support and engagement.

Executive Summary



Executive Summary

In Union Budget 2026-27, Honorable Finance Minister Nirmala Sitharaman formally introduced the “Orange Economy” into India’s policy lexicon defining it as the segment of the economy driven by creativity, culture, and intellectual property. This is not a peripheral cultural designation.

India’s creative economy has reached an inflection point. Demographic depth, mass digital connectivity, profound cultural plurality, and expanding domestic demand are converging simultaneously creating preconditions for large-scale sector growth within a single generation. The central challenge is no longer participation: it is economic conversion, the translation of abundant creative output into sustainable commercial enterprise.

The Orange Economy: India’s Strategic Creative Imperative

In Union Budget 2026-27, Finance Minister Nirmala Sitharaman formally introduced the “Orange Economy” into India’s policy lexicon defining it as the segment of the economy driven by creativity, culture, and intellectual property. This is not a peripheral cultural designation. India’s formal media and entertainment sector generated approximately ₹2.3 trillion (~\$28 billion) in 2023, projected to reach ₹3.1 trillion by 2026.^[8] The AVGC sector alone is expected to require 2 million professionals by 2030.^[13] When informal cultural production is included, the creative economy accounts for an estimated 6–8% of GDP.^[21]

Key Insights: Talent Exists. The Ecosystem needs a push.

India does not have a talent deficit, it only needs a holistic value chain integration. The value chain breaks precisely where value capture occurs: at distribution, monetisation, and sustainability. The majority of creative workers operate outside formal contractual,



IP, and financial frameworks. Audience reach has expanded far faster than creator income. The policy priority must shift from expanding participation to building the infrastructure that converts creative output into economic activity.

Recent Policy Momentum and What It Signals

Budget 2026–27 marks a landmark shift, with creative industries being recognized as a key driver of workforce development and industrial growth. This progressive framing signals a strong commitment to unlocking the sector’s vast potential for job creation, innovation, and global competitiveness. Key announcements include:

- **AVGC Creator Labs** across 15,000 schools and 500 colleges via IICT Mumbai (₹250 Cr allocation)^[35]
- **Design education expansion** including a new National Institute of Design-type institution in eastern India^[35]
- **Employment target** of approximately 2 million AVGC professionals by 2030^[13]

Priority Recommendations

- **Enable market formation:** Create structured demand for creative services through public commissioning frameworks at the national and state levels—across sectors such as tourism, urban development, education, and public communication. In parallel, establish dedicated export promotion programs for creative industries (similar to IT/ITES), including global market access support, trade facilitation, and branding of “Creative India” services.
- **Create governance clarity:** Set up a nodal, cross-ministry coordination body to align policies and streamline decision-making across key ministries including Education, Information & Broadcasting, MeitY, and Commerce. Introduce single-window clearance mechanisms and standardized regulatory processes to reduce fragmentation and improve ease of doing business for creative enterprises.

- **Strengthen IP infrastructure:** Build a more efficient and accessible intellectual property ecosystem by accelerating dispute resolution timelines, simplifying IP registration processes for individuals and SMEs, and promoting awareness.
 - **Unlock creative finance:** Design financial instruments tailored to the needs of creative businesses, such as IP-backed lending, revenue-based financing, and blended co-investment funds. Traditional financing models often do not align with intangible, IP-driven assets—therefore, new frameworks are needed to improve access to capital across the creative value chain.
 - **Shift education outcomes:** Reorient creative education from degree-focused outcomes to employability and entrepreneurship. This includes portfolio-based assessments, integration of live industry projects, embedded apprenticeships, and building commercial literacy (pricing, contracts, IP awareness) alongside creative skills.
 - **Industry:** move up the value chain: Encourage industry to transition from service-based execution models to higher-value activities such as IP creation, ownership, licensing, and co-production. This shift is critical to enable long-term value capture, global competitiveness, and the development of scalable creative enterprises.
- India has the talent. The task now is to build the ecosystem: the markets, the institutions, and the capital that turns creative potential into economic infrastructure.

CHAPTER I
Understanding
Orange
Economy



1.1

Defining the Orange Economy

“The part of the economy driven by **creativity, culture and intellectual property, comprising activities where value comes primarily from ideas, knowledge, artistic expression and cultural content, rather than from physical goods.**”

Economic Survey 2025-26

In Union Budget 2026-27, Hon'ble Finance Minister Smt. Nirmala Sitharaman formally introduced the “Orange Economy” into India’s policy lexicon, defining it as “the part of the economy driven by creativity, culture and intellectual property, comprising activities where value comes primarily from ideas, knowledge, artistic expression and cultural content, rather than from physical goods.” (Economic Survey 2025-26)^[35]

This definition aligns India with an international framework pioneered by Colombia’s former President Iván Duque Márquez and Felipe Buitrago in their 2013 book “The Orange Economy: An Infinite Opportunity.” The term uses the color orange to symbolize the warmth, vibrancy, and infinite potential of human creativity and cultural expression. The Inter-American Development Bank (IDB) subsequently popularized this framework, arguing that if the orange economy were a country, it would rank among the world’s largest economies in export and workforce terms.

India’s orange economy recognition in Budget 2026 signals four strategic priorities:

- **Employment generation:** Projected 2 million professionals needed in AVGC sector alone by 2030^[13]
- **Export competitiveness:** Leveraging India’s cost-quality advantage in creative services
- **Soft power projection:** Culture and creativity as instruments of global influence
- **Economic diversification:** Moving beyond traditional manufacturing and IT services toward idea-driven, knowledge-based development

The policy framework acknowledges that according to UNESCO estimates, cultural and creative industries contribute 6.2% of global employment, with creative industries accounting for between 0.5% and over 7% of GDP across different countries.^{[21][24]}

Sectoral Scope in India

India's creative industries span five interconnected sectors:

- **Content Creation and Influencer Economy:** 4 million active digital creators,^[14] platform-based content (YouTube, Instagram, short-video), creator-led education, and social commerce
- **Audio-Visual, Gaming & Comics (AVGC):** Film and television production (1,500-2,000 films annually),^[8] OTT platforms, animation and VFX services, gaming (230+ million users; \$2.6 billion market),^[16] and digital content creation
- **Music and Performing Arts:** Commercial music production, live performance circuits, classical traditions (Hindustani, Carnatic), folk forms (200+ documented types), and regional theatre and dance
- **Crafts and Cultural Production:** Handloom and handicrafts (7 million workers, 72% women),^[11] folk art traditions, heritage tourism, and traditional knowledge system
- **Design and Creative Services:** Communication and graphic design, industrial and product design, UX/UI design, and fashion/textile design

Distinguishing Creative, Cultural, and Experience Economies

While often used interchangeably, these terms represent distinct but overlapping frameworks:

- **Cultural Economy focuses on heritage preservation,** traditional arts, and state-supported cultural institutions, emphasizing cultural value and social cohesion over commercial returns.
- **Creative Economy encompasses** commercially oriented creative industries where IP and innovation drive revenue, from film studios to design agencies to gaming companies
- **Experience Economy centers on consumer experiences,** festivals, tourism, live events, and immersive entertainment where participation and memory creation are the products

India's Orange Economy operates across all three layers: preserving cultural heritage (cultural economy), commercializing creative output (creative economy), and delivering experiential value (experience economy). This convergence makes India's model distinctive; for example, a Bharatanatyam performance can simultaneously preserve tradition, generate ticket revenue, and create tourism experiences.

Critical moment for India

For India, three structural shifts make this moment critical:

- **First**, democratization of distribution. Digital platforms have eliminated geographic and institutional gatekeepers. A musician in Shillong or game developer in Pune can now reach global audiences without traditional intermediaries. India's internet user base exceeds 850 million,^[9] with 500+ million consuming content in regional languages.^[9]
- **Second**, intellectual property as an economic asset. Streaming platforms, gaming, and digital media have demonstrated that ideas, properly protected, packaged, and distributed, generate substantial economic value. India's services exports reached \$380+ billion in 2024-25,^[41] with increasing contribution from creative and knowledge services beyond traditional IT.
- **Third**, global appetite for diverse content. Regional and culturally specific content is no longer niche. Authenticity travels as well as universality. India's linguistic diversity (22 official languages, 1,600+ dialects) and cultural heritage position the country to create differentiated content for domestic and international markets.

These shifts converge with India's demographic advantage, 65% of the population under 35,^[1] digitally native, and increasingly willing to pay for content and experiences.



1.2

The Global Context

The development of successful **creative economies over the past three decades offers instructive patterns. While approaches vary by geography, culture, and economic structure, certain success factors and failure points have emerged from international experience.**

Here is how other countries have built creative economies.

South Korea: State-Led Strategic Development

Context: Following the 1997 Asian financial crisis, South Korea strategically selected cultural industries as an economic recovery mechanism, treating creativity as critical infrastructure rather than peripheral cultural activity.

Key Institutional Framework:

- Korea Creative Content Agency (KOCCA) established as the central coordinating body
- Direct subsidies for content production, international marketing, and talent training
- Early investment in digital infrastructure and streaming platforms
- Specialized education programs aligned with industry requirements

Economic Impact (as of 2021-2024):

- Cultural exports: \$12.4 billion annually (2021 data from KOCCA)^{[4][5]}
- Creative sectors growth rate: 4-5% annually
- Employment: 600,000+ people directly employed^[5]
- GDP contribution: Approximately 3% of national GDP^[5]
- Comparative advantage: Cultural exports (\$12.4B) exceed consumer electronics exports (\$4.7B)^[4]

Hallyu Effect:

- The Hallyu effect, or Korean Wave, refers to the global, strategic, and rapid spread of South Korean culture including K-pop, K-dramas, food, and beauty.
- BTS alone contributed equivalent to 0.3% of Korean GDP^[29]
- Korean cosmetics exports: \$7.8 billion (2021), making South Korea third-largest cosmetics exporter globally after France and US^[30]
- Multiplier effects across tourism, consumer goods, food, and language education

Policy Mechanisms:

- Tax incentives and production subsidies for content creation
- Government-funded international cultural centers and exchange programs
- IP protection and copyright enforcement infrastructure
- Integration of cultural diplomacy with economic policy

China: Platform-Scale Hybrid Development

Context: China identified cultural and creative industries as a national growth sector during economic restructuring in the 2000s, integrating them into successive Five-Year Plans as part of the transition from manufacturing-led growth to consumption- and innovation-driven development.

Rather than positioning culture purely as soft power, policy framed it as a **digital industrial sector** combining entertainment, technology, and intellectual property. The objective was dual: expand domestic consumption and develop globally competitive digital platforms.

China identified cultural and creative industries as a national growth sector during economic restructuring in the 2000s, integrating them into successive Five-Year Plans as part of the transition from manufacturing-led growth to consumption- and innovation-driven development.

The strategy emphasized building domestic scale first, followed by international expansion through technology platforms rather than traditional cultural exports.

Key Institutional Framework

- Ministry of Culture and Tourism: Sector planning and development targets
- National Radio and Television Administration: Licensing and content regulation
- Cyberspace Administration of China: Platform governance and algorithm oversight
- State-guided investment funds supporting media and technology companies
- Provincial creative clusters (Shanghai, Hangzhou, Shenzhen, Chengdu) linking studios, tech firms, and universities

Unlike subsidy-heavy models, China relied on regulated private platforms operating within national industrial policy direction.

Economic Impact (2023-2024)

- Cultural and related industries: \$822 billion (4.59% of GDP, 2023)^[6]
- Gaming: World's largest market: \$44.8 billion revenue (2024)^[7]

- Film industry: 24% of global box office: \$7.81 billion (2023)^[6]
- Short-video platforms (Douyin/TikTok ecosystem): 1+ billion global users^[36]
- Art market: China and US together represent ≈61% of global art sales^[33]
- Integration of creative sectors with digital infrastructure and e-commerce
- Large internal market used as testing ground before international rollout

Key Differentiator

Creative economy growth driven by **platform scale and digital ecosystems**, where private firms operate competitively but within coordinated regulatory and industrial policy frameworks.

China exports distribution systems and formats as much as cultural content itself.

Policy Mechanisms

- Controlled market entry through licensing rather than direct production subsidies
- Platform-centric monetization integrating payments, streaming, and distribution
- Support for domestic technology companies scaling cultural content globally



United Kingdom: Market-Enabled, Policy-Supported Growth

Context: The UK was among the earliest to formally recognize "creative industries" as an economic sector in the 1990s, establishing definitions and measurement frameworks that influenced global standards.

Economic Scale (2023-2024 data):

- **GVA contribution:** £145.8 billion (2024)^[25]
- **GDP percentage:** 5.7% (2023) - now 6% based on latest estimates^[25]
- **Employment:** 2.4 million jobs (7% of all UK jobs)^[25]
- **Growth rate:** Growing at 4x the rate of wider UK economy (2023-2024)^[25]
- **Exports:** £54.7 billion (2021) - 7.7% of total UK exports, Creative services: £45.6 billion & Creative goods: £9.1 billion^[25]

Sectoral Leadership:

- **Film and TV:** Second-largest production location globally after USA; £4.8 billion inward investment (2024)^[37]
- **Music industry:** £7.6 billion GVA; £4.6 billion exports (2023); 15% growth from 2022^[26]
- **Gaming:** Europe's largest video game industry^[25]
- **London alone:** £64 billion creative GVA (2023)^[25]

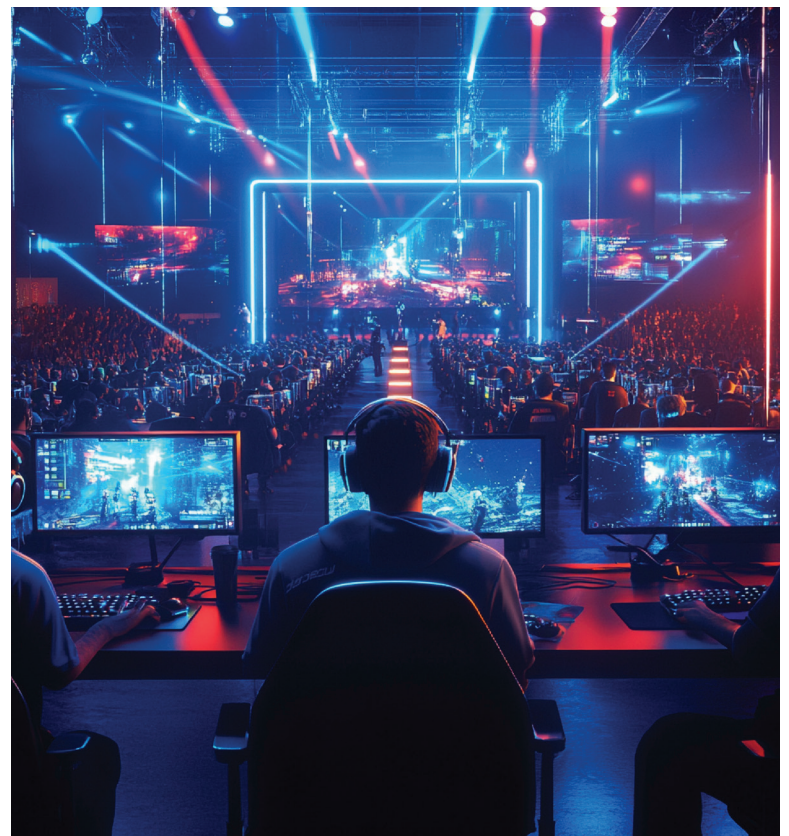
Policy Approach:

- Light-touch regulation with strong IP protection frameworks
- Creative industries tax reliefs: £1.66 billion (2021-22)^[27]
- Industry-led sector councils with government participation
- Export promotion through creative trade missions

UK was among the earliest to formally recognize "creative industries" as an economic sector in the 1990s, establishing definitions and measurement frameworks that influenced global standards.

- Regional creative clusters program with £120 million funding (2018-2023)^[25]
- British Business Bank support: £45 million cornerstone commitment for seed-stage creative investors (2026)^[38]

Key Differentiator: Market-driven growth with targeted government enablers rather than direct state control; emphasis on access to finance, IP-backed lending, and tax incentives rather than production mandates.



United States: Ecosystem Scale and Platform Dominance

Context: The US creative economy developed organically through market mechanisms, concentrated in specific geographic clusters (Hollywood, Nashville, New York, Silicon Valley) with minimal federal coordination but strong IP legal infrastructure.

Economic Scale:

- Creative industries contribute approximately 10% of US GDP^[28]
- Among global leaders in cultural exports across film, music, television, gaming, and digital platforms
- Platform economy (YouTube, Netflix, Spotify, etc.) provides global distribution infrastructure that benefits US creators disproportionately

Structural Characteristics:

- Strong intellectual property protection and enforcement
- Venture capital and private equity access for creative businesses
- University-industry linkages for talent development
- Global platform companies (Meta, Google, Apple) headquartered in US provide distribution advantage
- State-level incentives (e.g., film tax credits) rather than federal programs

Challenges Despite Scale:

- Geographic concentration (LA, NYC, Nashville) creates access barriers
- Winner-takes-most dynamics in platform economy
- Freelance and gig economy precarity for majority of creators
- Declining middle-tier opportunities between subsistence and star levels

Japan launched the “Cool Japan” initiative to globalize cultural products and counter economic stagnation following the 1990s recession.

Japan: "Cool Japan" and IP-Led Growth

Context: Japan launched the "Cool Japan" initiative to globalize cultural products (anime, manga, gaming, design) and counter economic stagnation following the 1990s recession.

Economic Impact:

- Creative industries generated \$57+ billion annually in 2022^[31]
- Anime industry alone: Global market influence worth billions
- Gaming: Nintendo, Sony PlayStation as global platforms
- Character-driven IP licensing generates sustained revenue streams

Strategic Approach:

- Government funding for cultural export promotion
- Support for anime studios and gaming companies
- Character licensing and merchandise ecosystems
- Cultural centers abroad promoting Japanese creative content

Limitations:

- Domestic labor issues (anime industry working conditions)
- Limited international language accessibility initially
- Strong domestic focus initially slowed global scaling

Indonesia and Thailand: Regional Creative Hubs

Indonesia:

- Creative economy valued at \$90+ billion^[32]
- Creative Economy Agency (BEKRAF) established 2015 for policy coordination
- Focus: Fashion, design, culinary arts, digital content
- Urban creativity hubs (Bandung) linking local artists to global markets

Thailand:

- Orange economy sector contributes 8-10% of GDP^[39]
- Strengths: Film, fashion, cuisine, design, digital media
- Government support for cultural festivals, e-commerce platforms, sustainable tourism

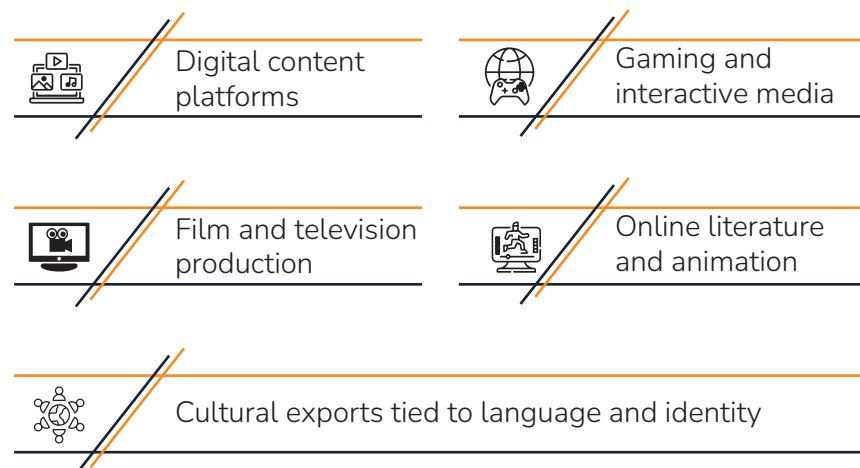


1.3

Deep dive into the China model

China treats cultural and creative industries as part of national economic infrastructure, comparable to advanced manufacturing and semiconductors. Rather than viewing entertainment as leisure consumption, the state classifies it as a “strategic emerging industry” embedded within industrial policy, digital sovereignty, and geopolitical soft-power projection.

Under successive Five-Year Plans (notably the 13th and 14th), China prioritized:



The government’s definition closely aligns with the global Orange Economy framework: value derived from intellectual property, storytelling, and digital distribution rather than physical production.

Economic Scale (2023-2024):

- **Cultural & related industries:** \$822 billion (≈4.59% of GDP, 2023)^[6]
- **World's largest gaming market:** \$44.8 billion revenue (2024)^[7]
- **Box office share:** 24% of global theatrical revenue, \$7.81 billion (2023)^[6]
- **Short-video/social platforms:** 1+ billion global users (Douyin/TikTok ecosystem)^[36]
- **Global art market:** China + US together account for ≈61% of world sales^[33]

Institutional Framework: Coordinated State-Platform Ecosystem

Unlike Korea's subsidy model or the US venture-capital ecosystem, China built a platform-regulated market, private companies scale globally while remaining aligned with national policy direction.

Core Institutional Characteristics

- Ministry of Culture & Tourism: industry policy direction
- Cyberspace Administration of China: platform regulation & algorithm governance
- National Radio and Television Administration: film/TV licensing and standards
- Provincial creative clusters (Hangzhou, Shenzhen, Chengdu, Shanghai)
- State-guided financing through investment funds rather than grants

The state rarely produces content directly, it shapes incentives, distribution rules, and platform architecture.

Platform Dominance: Distribution as the Core Advantage

China's decisive advantage is not content production alone, it is control of discovery, distribution, and monetization systems.

Super-Platform Model

- Integrated payment systems
- Creator monetization built-in
- Algorithmic cultural distribution
- Domestic scale before global export

Major companies function simultaneously as studio, distributor, social network, and payment processor.

Key Companies

- Tencent : gaming + streaming + social media
- ByteDance : short video + global algorithmic distribution
- Alibaba : film financing + ticketing + merchandising

This removes intermediaries common in Western media markets.

Gaming: The Anchor Industry

China's creative economy is structurally led by gaming rather than film or music.

Economic Position

- Largest global market: \$44.8B revenue (2024)^[7]
- Largest player base globally
- Integrated esports ecosystem
- Mobile-first monetization innovation (microtransactions, live services)

Structural Advantage

Gaming acts as:

- IP incubator
- animation source
- merchandising engine
- global export product

In China, games are not a sub-sector of entertainment : they are the central engine of digital culture.

Film and Serialized Storytelling: Domestic Scale First

China's film industry prioritizes internal market dominance before international expansion.

Market Characteristics

- 24% of global box office (\$7.81B, 2023^[6])
- Massive domestic audience reduces dependence on exports
- Increasing technical parity with Hollywood
- State-approved co-production structures

Instead of exporting films directly, China exports formats, talent, capital, and distribution partnerships.

Short Video and Creator Economy: Algorithmic Soft Power

The most globally influential Chinese cultural export is not cinema or television: it is the content format itself.

Platform Impact

- Douyin/TikTok: 1+ billion global users^[36]
- Creator monetization embedded natively
- Influences global music discovery
- Shapes global visual culture and editing language

China effectively exported the architecture of digital culture, not just content within it.



Art, Heritage, and High Culture Markets

China also dominates traditional cultural markets alongside digital sectors.

Art Market Position

- China + US = 61% of global art sales^[33]
- Strong domestic collector base
- State museums and private auction houses expanding rapidly
- Cultural heritage treated as financial asset class

Unlike Western markets driven by galleries, **China's art economy** is increasingly tied to wealth preservation and national identity.

Economic Strategy: Hybrid State-Market Model

China's approach differs fundamentally from other creative economy leaders.

Model	Primary Driver	Limitation
US	Venture capital & IP markets	Fragmented distribution
Korea	Export-focused state promotion	Scale constraints
UK	Market-enabled services	Platform dependence
China	Platform-regulated scale economy	Regulatory unpredictability

Key success pointers

1. Integrated Monetization: Payments, audiences, and discovery exist in one ecosystem.
2. Long-Term Industrial Policy: Creative sectors included in national economic planning.
3. Technology-Led Culture: Algorithms determine hits more than studios do.

Constraints and Risks

Despite scale, structural vulnerabilities exist:

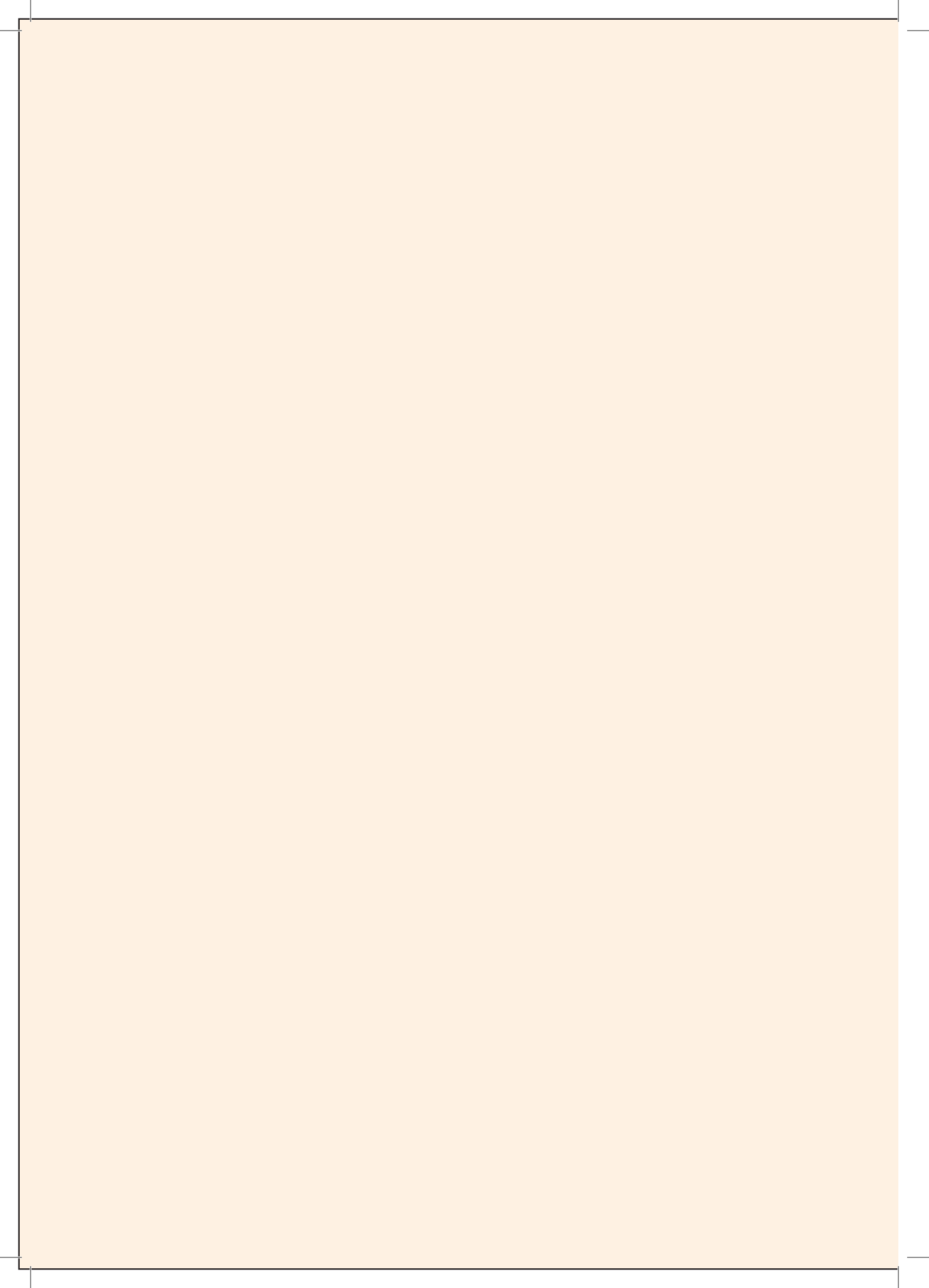
1. Regulatory interventions has many times abruptly altered markets
2. Export acceptance varies due to political perception
3. Heavy domestic orientation limits global storytelling reach

China globalized culture by exporting infrastructure for culture rather than by exporting artists.

1.4

Learnings from Global Peers

- a. **State-Led Model (South Korea, China):** Works when the government has implementation capacity, political continuity, and willingness to coordinate across ministries with substantial financial commitment.
- b. **Market-Led Model (UK, US):** Works when strong IP protection exists, private capital is accessible, and government provides targeted enablers (tax relief, export support) without micromanaging.
- c. **Organic/Bottom-Up Model (Nigeria):** Works when market demand is strong and barriers to entry are low, but hits scalability limits without formalization support.
- d. **Hybrid Model (Indonesia, Thailand):** Combines state framework-setting with market-driven implementation; success depends on execution quality and avoiding over-regulation.



2.1

India's Current State

India's creative economy is large, heterogeneous, and structurally under-measured. Official statistics capture organized media and entertainment industries but exclude substantial informal cultural production and independent digital creation.

As a result, available data reflects the measurable core rather than the full economic footprint.

- **The organized media and entertainment sector:** Film, television, digital video, music, gaming, animation, and live events generated approximately ₹2.3 trillion (~\$28 billion) in 2023 and is projected to reach ₹3.1 trillion by 2026, implying roughly 10% annual growth.^[8]
- **The animation, visual effects, gaming and comics (AVGC)** sector generated approximately \$2.6 billion in 2023 and is projected to exceed \$6 billion by 2026, driven largely by international outsourcing demand and global streaming production pipelines.^[16]
- India produces more films annually than any country, with 1,500–2,000 certified releases each year and domestic box office revenue around \$1.5 billion.^[8]
- **Beyond formal media, the broader creative economy:** Crafts, textiles, architecture, fashion, advertising, publishing, performing arts and digital content is estimated to account for roughly 6–8% of GDP if informal activity is included, though standardized measurement frameworks do not yet exist.^[21]
- **Traditional cultural sectors remain major employers:** Craft sector: over 7 million artisans,^[11] Handloom industry: approximately 4.3 million weavers.^[12] Together they form one of the largest creative workforces globally.
- **India's services exports** exceeded \$380+ billion in 2024–25.^[41] An increasing share includes creative and knowledge services such as design, content production, game development and post-production, indicating a gradual shift from transactional IT services toward intellectual-property-linked services.



- **The digital creator economy** has expanded rapidly. India is estimated to have between 50 and 80 million content creators, of whom 2–3 million generate significant income.^[15] India also has the world's largest YouTube viewership base. Creator revenues are estimated at \$300–500 million annually, much of which remains outside formal economic accounting.^[15]

India also has the **world's largest YouTube viewership base**. Creator revenues are estimated at **\$300–500 million annually**, much of which remains **outside formal economic accounting**.^[15]

Formal vs Informal Creative Economy

India's creative economy operates as a dual system: a measurable corporate sector and a large informal cultural workforce.

a. Formal Sector

Includes film production, advertising, gaming, animation/VFX, architecture, design services and publishing, and is characterized by:

- corporate organisational structures
- contractual employment
- access to finance and investment
- measurable economic output
- integration with global markets

This sector attracts institutional capital and policy visibility.

b. Informal Sector

Much larger by workforce size but weakly recorded statistically. Includes artisans and craft workers, folk performers, independent filmmakers and musicians, vernacular writers, and independent digital creators.

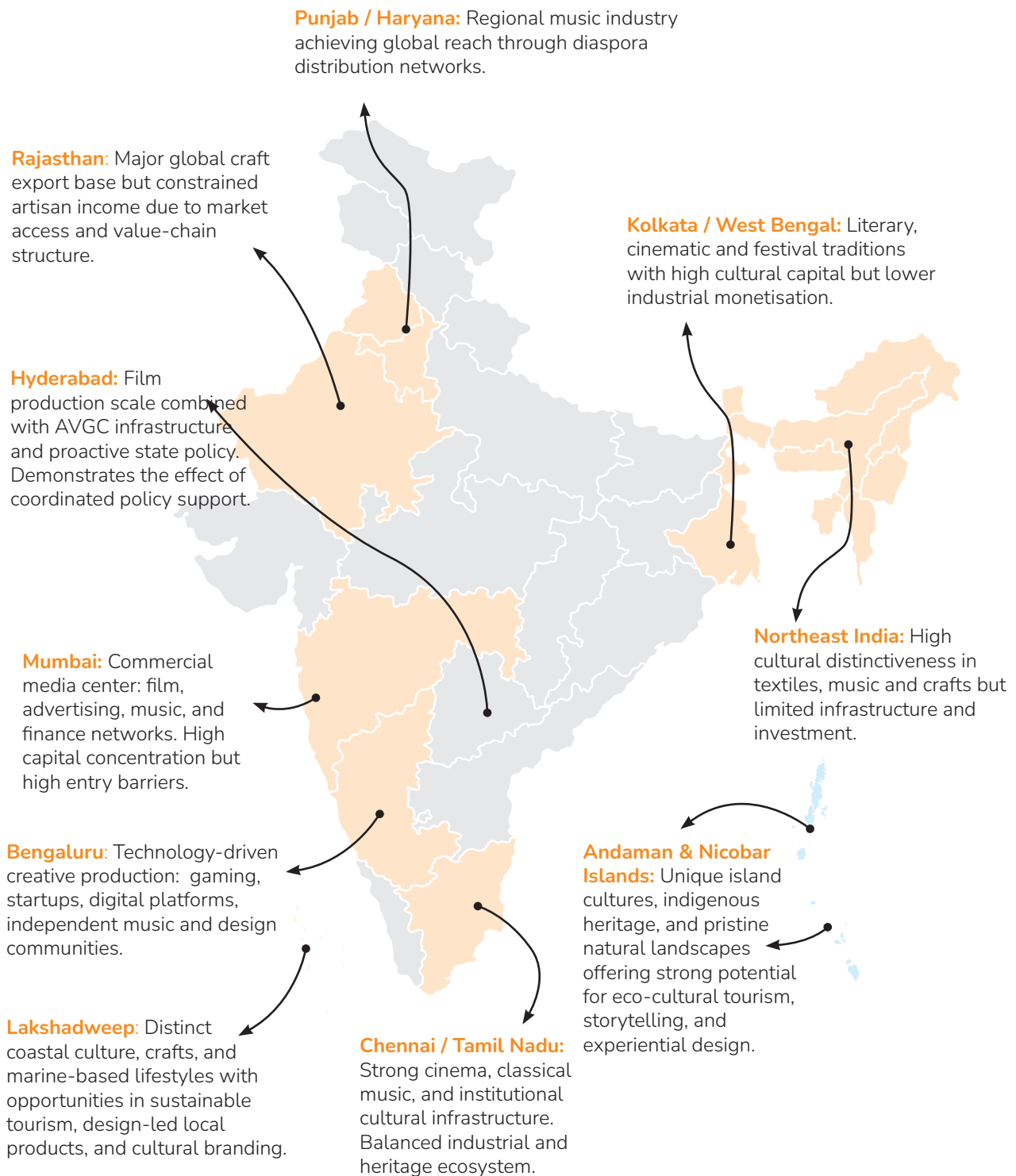
Majority of creative workers in this segment operate:

- Without formal contracts or legal protection
- Without IP awareness or ownership frameworks
- Without social protection or income security
- Without access to institutional finance

The result is a persistent gap between cultural output and economic return — and the central structural challenge the creative economy must address to transition from livelihood activity to enterprise activity.

Regional Variations and Creative Clusters

India's creative economy functions as a distributed network of regional ecosystems rather than a single national hub.



India therefore operates as a multi-node creative system where growth potential varies by infrastructure and market linkage rather than cultural supply.

Digital Transformation Impact on India's Creative Economy

Digital infrastructure has reshaped production, distribution, and consumption. Affordable tools allow creators across the country to produce professional-quality content without traditional studios. Platform distribution enables direct access to audiences, dramatically increasing participation.

Streaming platforms have increased demand for original and regional language content, expanding genres and budgets beyond traditional television formats.

Gaming was among the fastest-growing sectors, supported by large user numbers and mobile adoption, though domestic production capacity remains smaller than consumption scale.

Artificial intelligence is emerging simultaneously as a productivity tool and a labour disruption risk across animation, localisation, and design.



2.2

The India Opportunity

India is at a rare moment of structural convergence—one that few nations experience at scale. A young and expansive demographic base, near-universal digital infrastructure, deep cultural diversity, strong cost competitiveness, and rapidly growing domestic demand are all advancing in parallel.

Individually, each of these factors is a powerful driver of growth. Together, they create a uniquely enabling environment—one that can catalyse the emergence of a vibrant, globally competitive creative economy within a single generation.

India's primary structural advantage is the coexistence of three assets that seldom align in one economy: a large young workforce, mass digital connectivity, and deep cultural heterogeneity.

The Demographic Dividend

India's median age is approximately 28.^[1] Over 600 million citizens are under 25 and nearly two-thirds of the population is under 35.^[1] This represents the largest incoming cohort of potential creators globally.

Unlike earlier workforce expansions, this generation enters employment already accustomed to digital production environments: short-form video, interactive media, gaming ecosystems, and algorithm-mediated distribution. They are not transitioning from consumption to creation; they are beginning their careers within creation systems.

Timing is critical. This workforce is emerging precisely when production and distribution barriers are historically low. A filmmaker, musician, illustrator, or game developer no longer requires institutional distribution to reach audiences. Creative work is shifting from permission-based entry to market-based validation.

Social legitimacy is evolving alongside technology. While uneven across geography and income groups, creative careers are increasingly perceived as viable livelihoods rather than aspirational hobbies, a necessary condition for sustained talent supply.

The Digital Access Revolution

Internet users expanded from roughly 250 million in 2014 to over 850 million by 2024^{[9][2]}. Low-cost mobile data, among the lowest globally transformed access from elite connectivity to mass participation.

More importantly, access is productive rather than passive:

- Over 750 million smartphones function as production devices^[10]
- Regional language usage is expanding rapidly^[9]
- Tier-2, Tier-3, and rural creators are entering digital markets

Creation infrastructure has therefore shifted from centralized studios to distributed networks of individuals.

Payments infrastructure reinforces this shift. UPI processed more than 172 billion transactions in 2024^[3], enabling subscription models, tipping, micro-transactions, and direct audience monetization. Creative markets depend on low-friction payments; India now possesses one of the most advanced consumer transaction systems globally.

Cultural Diversity as Strategic Asset

India is not a single cultural market but a federation of parallel creative ecosystems across languages and regions.

In platform-driven global media, cultural specificity increasingly travels better than homogenized content. Distinctiveness, rather than imitation, drives cross-border adoption. India's diversity therefore produces structural resilience:

- Multiple exportable cultural forms
- Segmented audience markets

- Reduced dependence on a single dominant genre

The interaction of youth, tools, and cultural plurality creates an unusually large potential output of original intellectual property.

Cost Competitiveness and Quality Potential

India's advantage is not low cost alone but the convergence of cost efficiency with improving production capability.

a. Cost Advantage

Creative professionals typically earn 20–30% of Western counterparts, and infrastructure costs remain substantially lower.^[34] This positions India competitively in VFX, animation, gaming, design, and post-production services.

The gap is structural rather than temporary, supported by workforce scale and expanding training capacity.

b. Quality Inflection

Indian studios increasingly meet international technical standards and participate in global productions. Quality improvements are driven by:

- adoption of global production workflows
- returning diaspora professionals
- accessible professional software and hardware
- cross-border collaboration models

The shift underway is from labour arbitrage to capability parity.

c. Strategic Position

India can operate across the creative value chain: outsourced execution, co-production,

and original intellectual property development. Domestic demand enables experimentation; export work enables scale.

Few economies possess both simultaneously.

Domestic Market Expansion and Export Headroom

India combines a large internal consumer base with significant international growth potential.

a. Domestic Demand

Paid entertainment consumption is expanding rapidly:

- more than 200 million paying users today^[8]
- projected to exceed 400 million by 2030^[8]
- rapid OTT adoption
- expanding live events sector

A strong domestic market allows creators and studios to reach commercial viability before international expansion, reducing early-stage risk.

b. Export Potential

Creative exports remain modest relative to India's IT services exports, indicating substantial headroom. Global streaming platforms and diaspora audiences provide initial distribution pathways and testing markets.^[41]

Soft Power and Nation Branding

Creative industries generate spillovers beyond direct revenue.

a. Economic Multipliers

Cultural influence shapes tourism, education demand, investment perception, and trade

relationships. International experience shows that successful cultural exports reconfigure economic engagement beyond the creative sector itself.^{[18][19]}

b. Perception Effects

Global capital increasingly responds to signals of innovation and modernity. Cultural output often communicates these signals more effectively than traditional promotion or diplomacy.

c. Diaspora Amplification

India's approximately 30-million global diaspora functions as an initial audience base and distribution bridge, accelerating international adoption of cultural products.^[23]

The creative economy therefore operates not only as a sector but as long-term economic infrastructure.

Conclusion

India's opportunity lies not in a single advantage, but in a powerful set of reinforcing strengths coming together at the same time. These include a vast and youthful demographic base, near-universal digital access, rich cultural diversity, globally competitive costs paired with steadily rising quality, strong domestic demand alongside growing export potential, and the expanding influence of India's soft power.

What makes this moment exceptional is that few countries have had the ability to shape a creative economy at this scale, with so many enabling factors already in place. India's distinct advantage is precisely this readiness. With the right policy direction and strategic focus, these conditions can compound into sustained, long-term growth—positioning India as a global leader in the creative economy.

CHAPTER III

Recent Policy
Signals &
Strategic
Direction



India's Union Budget 2026-27 marks a landmark moment with creative industries, referred to in public communication as the "orange economy": as a workforce and industrial development sector rather than purely cultural or media activity.^[35]

The policy emphasis is concentrated around Animation, Visual Effects, Gaming, Comics and Extended Reality (AVGC-XR), along with design education and creator-skill infrastructure. Collectively, the announcements indicate the emergence of a talent-pipeline-led creative economy policy.^[13]

3.1

Government Policy Measures Announced

AVGC Infrastructure: Creator Labs and Institutional Framework

The Govt. announced support for the Indian Institute of Creative Technologies (IICT), Mumbai to establish AVGC Content Creator Labs across the education system:^[35]

- **15,000** secondary schools
- **500** colleges

The initiative is intended to prepare the workforce for a projected demand of nearly **2 million AVGC professionals by 2030**.^[13]

The labs are planned as hands-on learning spaces focused on animation, gaming, digital storytelling and related technologies, with central coordination through IICT to align training with industry requirements.

The programme has an estimated allocation of approximately ₹250 crore for implementation.^[35]



Simplified Clearance and Industry Facilitation Signals

While the Union Budget speech does not create a single formal “creative industry clearance law,” it frames AVGC-XR as an emerging industrial sector requiring coordinated facilitation.

Related policy direction includes:

- Integration with industry collaboration mechanisms via IICT
- Recognition of the sector as part of growth and inclusion objectives
- Alignment with earlier AVGC promotion task-force initiatives ^[13]

The direction suggests movement toward structured regulatory handling rather than fragmented cultural permissions.

Skill Development Focus

The announcements place workforce creation at the centre of the policy.

Key measures:

- Early exposure to creative technologies in schools

Complementary announcements indicate plans for new design-education infrastructure including a National Institute of Design-type expansion in eastern India .

- Industry-aligned training through creator labs
- Strengthening national talent pipelines^[35]

The policy recognises content creation as a formal career pathway within the digital economy.

3.1.4 Design Institute Expansion

The budget speech separately acknowledges a shortage of trained designers and proposes expansion of design education capacity.^[35]

Complementary announcements indicate plans for new design-education infrastructure including a National Institute of Design-type expansion in eastern India.

3.2

The Strategic Advantage

Although framed as education and skill policy, the structure of the announcements suggests broader economic objectives.

Employment Generation for Youth

The policy explicitly links the sector to future workforce absorption:

➤ Target: ~2 million professionals by 2030^[13]

By embedding training in schools rather than universities alone, the government positions creative work as a mass employment pathway rather than a niche profession.

Export Competitiveness

The emphasis on AVGC-XR reflects global outsourcing demand and international digital production markets. The training model is designed to prepare workers for global pipelines rather than domestic cultural consumption alone.^{[13][34]}

Cultural Soft Power

By formally recognising content creation as economic infrastructure, policy moves creative output from cultural diplomacy to economic strategy.

The focus on storytelling, gaming and digital media positions exportable intellectual property as a strategic capability.

Economic Diversification

The policy aligns with a broader transition from services outsourcing toward intellectual-property-based services.

Creative industries are treated as a new employment sector parallel to IT and digital services rather than a sub-category of media.

Innovation and IP Creation

Hands-on labs and design education expansion indicate a shift from execution work toward original content development, a move from production services to intellectual property ownership.

3.3

Implementation Framework

Several local ecosystems already support AVGC policies and in some cases, formal infrastructures, but the integration model with the national programme remains undefined.

a. Implementation Mechanisms

- Operational structure of the 15,000 labs
- Industry participation models
- Accreditation frameworks

b. Success Metrics and Timelines

- Employment targets vs training output
- Export revenue benchmarks
- IP creation metrics

c. Inter-Ministerial Coordination

- Creative industries intersect multiple ministries like: Information & Broadcasting, Education, Electronics & IT, Commerce

d. Local vs Central Roles

Several local ecosystems already support AVGC policies and in some cases, formal infrastructures, but the integration model with the national programme remains undefined.

e. Budget Allocations Reality

Only partial funding figures have been disclosed (~₹250 crore for labs).^[35] Long-term financing commitments are yet to be disclosed.







3.4

Gaps in Current Thinking

The policy emphasizes on talent supply, skills infrastructure, education capacity, and workforce expansion, Creative industries require demand institutions alongside talent pipelines.

The Budget 2026-27 announcements represent a meaningful step in recognising the creative economy as an industrial sector. While The policy emphasizes on talent supply, skills infrastructure, education capacity, and workforce expansion, Creative industries require demand institutions alongside talent pipelines, and must focus on the following:

-  **Monetisation channels and distribution access**
-  **IP enforcement and contractual infrastructure**
-  **Financing instruments suited to creative enterprises**
-  **Public commissioning and market development frameworks**

CHAPTER IV

Recommendations



The analysis suggests that the success of India's creative economy shall be determined by economic conversion—the ability to translate creative output into sustainable, scalable enterprise activity.

Recommendations

While workforce expansion policies have successfully enabled entry into the sector, long-term growth will depend on strengthening the underlying ecosystem: ensuring predictable demand, robust enforcement of ownership and intellectual property rights, access to financing aligned with creative business models, and deeper professional integration across industries.

The following recommendations therefore define operational priorities required for sector maturation.

4.1

Government Interventions

Establish Market-Formation Mechanisms

In comparable markets, institutional commissioning has consistently provided the demand foundation from which private creative markets develop. Structured procurement frameworks across public education, tourism and government communication would establish the recurring revenue base that enables early-stage creative enterprises to reach commercial viability.

- Domestic commissioning frameworks for creative content across education, tourism and public communication
- Export promotion for creative services, modelled on existing IT sector trade support mechanisms^[34]
- Procurement incentives linked to original domestic intellectual property

Reliable institutional demand is the enabling condition for sustainable creative employment.

National Creative Economy Mission, a permanent cross-ministerial body would provide the administrative coherence that attracts institutional investment and simplifies market entry for creative enterprises.

Create a Coordinated Governance Structure

Since the mandate is spread across ministries, creation of a National Creative Economy Mission, a permanent cross-ministerial body would provide the administrative coherence that attracts institutional investment and simplifies market entry for creative enterprises.

- A single policy owner across Information and Broadcasting, Commerce and Industry, Electronics and IT, Culture, Education, and Tourism
- A Creative Economy Satellite Account tracking GDP contribution, employment, export revenue, IP earnings, and firm formation rates
- Unified industry classification covering AVGC-XR, design services, digital creators, crafts, cultural tourism, and the experience economy
- Consolidated clearance and facilitation mechanisms

Sectors attract institutional capital when they have institutional interlocutors and when they are measurable.

Strengthen Intellectual Property Infrastructure

Strengthening IP infrastructure across dispute resolution, registration accessibility and contractual standardisation would directly improve financing confidence and expand the commercial value of domestically produced creative work.

- Dispute resolution mechanisms calibrated to content production and distribution cycles
- Registration processes accessible to independent professionals and small enterprises
- Standard contractual frameworks for creator-platform commercial relationships

Robust IP infrastructure is the foundation on which creative enterprise financing is built.

Enable Financing Instruments for Creative Enterprises

Financing instruments designed for the specific asset and revenue profile of creative enterprises would unlock capital for a segment of the economy currently underserved by conventional lending and startup investment frameworks.

- IP-linked lending, with intellectual property recognised as a creditable asset class
- Co-investment funds for original content at early production stage
- Risk-mitigation instruments suited to the cost structures of film, animation and gaming

4.2

For Academia



Shift from Qualification to Employability Outcomes

Across film, gaming, music, design, and craft, the creative sector rewards demonstrable capability over academic certification. Institutional alignment requires:

- Industry-validated portfolio and production-based assessment alongside conventional credentials
- Compulsory industry apprenticeships modelled on architecture and medical residency structures
- Stackable certifications reflecting skill progression
- Accreditation metrics weighted toward graduate employment, income levels, startup formation, and IP creation

Education systems must function as entry points into professional ecosystems rather than terminal training stages.

Integrate Commercial Literacy into Creative Training

Sustainable careers depend on commercial competence alongside craft proficiency. Core curriculum across all creative disciplines should include:

- IP rights, licensing structures, and ownership frameworks

- Pricing, project scoping, and production budgeting
- Audience development, platform distribution, and monetisation models

Economic sustainability is a core professional competency.

Operate Production-Based Learning Environments

Creative capability develops through production contexts rather than instructional settings. Institutions should:

- Run client-facing studios linked to real markets and live briefs
- Require cross-disciplinary team production as a core graduation requirement
- Enable practising industry professionals to teach without bureaucratic barriers
- Introduce mandatory industry sabbaticals for faculty to maintain market relevance

Graduates who enter the workforce with prior production experience will have the edge to succeed.

4.3

For Industry



Transition Toward Intellectual Property Ownership

Industry sustainability improves when:

- Original content development forms part of business strategy
- Co-production replaces pure outsourcing
- Revenue participation models are implemented

Ownership enables value compounding.

Participate in Talent Formation

Workforce shortages often arise from separation between training and production environments.

Effective practices include:

- Structured apprenticeship pipelines
- Collaborative training partnerships with institutions
- Early-career professional exposure

This stabilises labour supply and reduces hiring volatility.

Develop Distribution Capacity

Control over distribution channels influences value capture across the creative value chain.

Industry coordination can:

- Expand domestic publishing networks
- Aggregate export distribution
- Reduce dependence on external intermediaries



4.3

For Creators



Adopt Asset-Based Career Models

Long-term sustainability depends on accumulating reusable intellectual property rather than isolated assignments.

Professional practice increasingly requires:

- Retention of partial rights where feasible
- Development of recurring formats and audiences
- Structured archiving and licensing of work

Engage with Market Feedback Mechanisms.

Digital distribution allows iterative validation prior to large-scale production. Regular audience testing and data-informed development improve commercial viability.

Prioritise Rights Awareness.

Understanding ownership structures is central to income continuity in IP-driven sectors. Creators benefit from contractual literacy and long-term rights management practices.

CHAPTER V
Phased Policy
Roadmap
Recommendations



The following three phases outline a sequenced approach to developing India's creative economy; from establishing the conditions for market formation, through unlocking capital, to building the institutional infrastructure for long-term competitiveness.

5.1

Phase 1 (0–3 Years): Establishing Market Conditions

a. Public Commissioning as Market Signal

- Develop a structured framework for government procurement of creative content — spanning education, public communications, and cultural storytelling.
- Predictable institutional demand creates the market stability that early-stage creative industries need to grow and formalise.

b. Creative Export Infrastructure

- Establish an agency with a clear export promotion mandate: facilitating trade relationships, supporting co-production agreements, and providing market intelligence to creative businesses.
- The goal is to position Indian creative output competitively in international markets and progressively grow the share of creative services in the country's export profile.

c. Initiating Education Reform

- Begin the reclassification of creative disciplines within academic governance frameworks — recognising them as practice-based fields, not theory-led ones.
- Introduce practitioner pathways into teaching, and build apprenticeship models that connect training directly to industry. Education reform has a long lead time; early action matters.



5.2

Phase 2 (3–6 Years): Unlocking Capital and Ownership

a. IP-Backed Finance Mechanisms

- Develop IP valuation standards, credit support schemes, and content production funds that allow creative businesses to access institutional capital.
- Formal finance access is the most significant structural barrier to sector growth. Solving it unlocks formalisation across all five domains simultaneously.

b. Tax Incentives for Creative Production

- Introduce incentives for production activity across film, music, gaming, publishing, and design.
- Encourage research and development for emerging formats — particularly in gaming, extended reality, and interactive content.
- Co-production incentives can attract both domestic private capital and international partnerships.

c. Intellectual Property Infrastructure

- Strengthen the institutional frameworks for IP registration, licensing, and rights management to match the scale a growing creative economy will generate.
- This includes dispute resolution mechanisms suited to the speed and complexity of digital content markets.

5.3

Phase 3 (6–10 Years): Building Ecosystem Depth

a. Regional Creative Clusters

- Support the development of regional creative hubs — building on existing concentrations of talent and production activity in cities like Mumbai, Hyderabad, Bengaluru, and parts of the Northeast.
- Clusters enable the kind of proximity between talent, infrastructure, and capital that distributed industries cannot replicate. They are a proven mechanism for creative economy development globally.

b. International Partnerships and Distribution

- Formalise co-production treaties and international distribution arrangements across creative sectors.
- India's AVGC sector has demonstrated global delivery capability. The policy opportunity is to extend similar frameworks to film, music, crafts, and publishing.

CHAPTER VI

CONCLUSION

6.1 The Structural Question

India's creative economy is no longer constrained by participation. Digital access, demographic scale and cultural diversity have enabled large-scale creation across media, design, gaming, crafts and digital content.^{[1][9][21]} The emerging constraint is economic continuity : the translation of output into sustained commercial activity. Creative sectors stabilise when supported by predictable demand, enforceable ownership frameworks, compatible financing structures and professional production pathways. In their presence, creative activity consolidates into industry; in their absence, work remains intermittent. Recent policy signals position creative activity within the economic domain, indicating a shift from access expansion toward operational alignment.^[35]

6.2 The Economic Outcome

A mature Indian creative economy would be characterised by routine commercial viability:

- firms operating as small and medium enterprises
- intellectual property generating recurring revenue
- regional clusters integrated into national production networks
- domestic markets supporting sustainability alongside export^[8]
- export of formats and services in addition to cultural content

Under such conditions, growth becomes cumulative and investment participation increases. The sector begins to function comparably to other established industries: predictable, investable and scalable.

6.3 The Window of Opportunity

India currently presents a convergence of enabling factors: a large young workforce,^[1] widespread digital distribution,^{[9][10]} expanding domestic consumption^{[8][22]} and global demand for digital creative services.^{[13][34]}

Creative industries historically consolidate when these conditions coincide and disperse when institutional coordination lags capacity. The present phase is therefore transitional: creative capability is established, while value-capture mechanisms are still forming. The primary policy and industry task is the progression from participation to enterprise activity.

This progression depends on parallel development across four areas:

- market formation
- ownership enforceability
- capital compatibility
- professional integration

Alignment across these layers will shape whether creative output accumulates into long-term economic infrastructure. The sector is expected to expand in either case; the form of that expansion, broad employment base or scalable industry will depend on the effectiveness of this transition.

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Confederation of Indian Industry

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organisation, with around 9,700 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 365,000 enterprises from 318 national and regional sectoral industry bodies.

For 130 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with the Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness, and business opportunities for industry through a range of specialised services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Through its dedicated Centres of Excellence and Industry competitiveness initiatives, promotion of innovation and technology adoption, and partnerships for sustainability, CII plays a transformative part in shaping the future of the nation. Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes across diverse domains, including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

For 2025-26, CII has identified "Accelerating Competitiveness: Globalisation, Inclusivity, Sustainability, Trust" as its theme, prioritising five key pillars. During the year, CII will align its initiatives to drive strategic action aimed at enhancing India's competitiveness by promoting global engagement, inclusive growth, sustainable practices, and a foundation of trust.

With 70 offices, including 12 Centres of Excellence, in India, and 9 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with about 250 counterpart organisations in almost 100 countries, CII serves as a reference point for Indian industry and the international business community.

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