



## Release of Report on Art Industry in India: Policy Recommendations

April 2, 2010 Kolkata

### REPORT

The visual art sector in India has grown exponentially in the recent years with both appreciation and market for Indian art expanding domestically and beyond the national borders. Nevertheless, it has also brought to fore the myriad of challenges that the art ecosystem in India is faced with. Be it for addressing the regulatory issues pertaining to art, beefing up the art education infrastructure, changing the way artworks are looked upon from '*Instruments of wealth creation*' to '*Intellectual Property*', a need is strongly felt for developing a holistic policy approach towards the sector as also for better enforcement of the existing policy instruments.

It is against this backdrop, FICCI in association with Amarchand Mangaldas and Deloitte has prepared a first-of-its-kind report on 'Art Industry in India: Policy Recommendations'. The Report makes an attempt to assess the existing legislative and taxation regimes pertaining to visual arts in India, identify the issues and challenges facing the art economy and outlines a roadmap for aligning our policies with the global best practices.

"With exponential growth in the volume of art trade in India, what is needed is a broad framework for this sector." said Mr. Jawhar Sircar, Secretary, Ministry of Culture, Government of India, while releasing the Report at an Interactive Seminar organized by FICCI in Kolkata on April 2, 2010. Talking about the Ministry's initiatives, Mr. Sircar said, "We are planning museums of modern art in states. A scheme for regional museums is being worked out. The budgets are being upscaled to between Rs. 3-6 crore. Other spheres that are being reviewed are the Antiquities Act, art funds and art authentication." "Museum and galleries in India need considerable improvement in communication, management, business and publication procedures," Mr. Sircar said, adding that there was a need to explore possibilities of launching a course on museum and gallery management.

In her Welcome Address, Mrs. Rakhi Sarkar, Chairperson, FICCI Committee on Art and Business of Art said "FICCI through FRAMES has opened the world of Indian cinema to global investors and viewership and now through its Committee on Art, FICCI hopes to help the Government to create a comprehensive policy framework and thereby open up the prospect of art and cultural commerce in India." Citing China's example, Mrs. Sarkar added that India should expedite speedy development in the area of cultural tourism and unleash the dynamism and creative energy of this nation.

"While art is basically a knowledge industry, people have also created a lot of wealth from it. We need to come up with smoother tax systems. Corporate philanthropy in art also needs to be incentivized in India like it is overseas." said Mr. Roopen Roy, Managing Director, Deloitte and Touche Consulting India Pvt. Ltd addressing the Seminar.

According to Amarchand Mangaldas, who contributed the section on legislative framework in the Report, a holistic approach through a National Art Policy was needed to support the growth of the sector. Amarchand Mangaldas was represented by Mr. Suhaan Mukerji and Mr. Aditya Rao at the Seminar.

"The national policy is not intended to intervene in artistic and creative expressions but is expected to formulate a public framework to direct investments in art," Mr. Ashok Vajpeyi, Chairman, Lalit Kala Akademi said. The spending on art in China was nearly 20 times higher than that in India, he pointed out.

“We need proper guidelines and frameworks to foster the growth of art in the country. Any policy has a definitiveness that goes against the principles of creativity. Artists would like to remain outside government inventions,” Mr. Gautam Sengupta, Director General, Archaeological Survey of India said.

Addressing the Seminar, Dr. Rajeev Lochan, Director, National Gallery of Modern Art highlighted insurance and valuation of artworks as a major concern area. He also urged the need for simplifying the export procedures for antiquities. Mr. Jogen Chowdhury, Artist and Trustee, Kolkata Museum of Modern Art (KMOMA), requested the Ministry to consider creating a separate structure for faculty recruitment in art colleges and institutions outside the purview of UGC. He also suggested that locker facilities could be provided in different cities where artists could store their art works. Lalit Kala Akademi, through its regional offices could take the lead in this initiative, he added.

Commending the Report, Secretary, Culture said, “I am very pleased to see such a systematic collation of ideas, proposals and desirables covering such a wide variety of issues pertaining to the world of art.” Among the key recommendations the Report put forwards include:

- A National Art Policy (“Policy”) to be formulated after due consultation with all industry factions/participants, with the overall objective of fostering the growth of art and promulgation of cultural ideas through artworks.
- World class Art Institutes/Centres for Excellence need to be established on a PPP basis
- The existing provisions relating to Percent for Art in Public Places should be enforced
- An Independent Regulatory Organisation (IRO) be set up by the Ministry of Culture with the objective to promote and ensure orderly growth of while protecting the interest of industry, artists and consumers.
- It is imperative to create state-of-the-art specialised channels for carrying fragile objects including artworks at airports, railway stations and ports to ensure safe and undamaged movement of art.
- A full expense deduction for the amount of donation made to the art sector by corporate establishments may be considered
- To adjust for the income fluctuations that artists experience, an income averaging concept may be evolved for tax purposes in line with practices prevailing in Australia, Germany and other countries
- Abolition of customs duty on import of artwork
- A uniform 1% VAT on artworks across states in the country
- A single window clearance system needs to be set-up for the art industry so that one is required to approach only one authority which in turn would internally co-ordinate amongst the different forums and the import/export of artwork is done seamlessly