



Potential of India's AVGC-XR Sector

For Prelims: [Animation, Visual Effects, Gaming & Comics and Extended Reality \(AVGC-XR\) sector, Intellectual property](#), Potential of India's AVGC-XR Sector.

For Mains: Potential of India's AVGC-XR Sector, AVGC Sector, its importance and related issues, Government policies & interventions.

[Source: TH](#)

Why in News?

India's [Animation, Visual Effects, Gaming & Comics and Extended Reality \(AVGC-XR\) sector](#) is all set for a quantum leap in the next five to six years.

What is the Outlook of India's AVGC-XR Sector?

▪ Industry Landscape:

- India boasts a robust ecosystem with over 4,000 studios, with key hubs in Mumbai, Bengaluru, Pune, Hyderabad, and Chennai. Additionally, smaller towns are witnessing a **surge in studio establishments**, highlighting the sector's widespread expansion.
- India's rich cultural heritage, diverse art forms, and skilled artists serve as the foundation for its prowess in visual arts. The industry is now recognizing the immense potential for value creation and employment generation within this domain.

▪ Employment:

- Most of the direct job positions will come for content developers, animators, pre- and post-production artists, pre-visualisation artists, composers, etc.
- The industry is witnessing a high pace of growth with some segments within AVGC-XR already growing at 30 or 35% annually.

▪ Projected Growth:

- The AVGC-XR sector, currently employing 2.6 lakh individuals, anticipates creating 23 lakh direct jobs by 2032, with revenues expected to soar to over USD 26 billion by 2030 from the current USD 3 billion.
- India's contribution to the global AVGC-XR sector is a mere 0.5%, as per the government data, India has the potential **to capture 5% (USD 40 billion) of the global market share by the year 2025**, with an annual growth of **around 25-30% and creating over 1,60,000 new jobs annually**.

What are the Challenges Associated to AVGC Sector?

▪ Lack of Authentic Data:

- Non-availability of data such as employment, industry size, education intuitions, etc. for the AVGC sector, makes decision-making tougher for entities.

▪ Skill Gap in Education and Employment sector:

- Creation of the AVGC ecosystem within the country requires a workforce with specialised

skills for various roles such as animators, developers, designers, localization experts, product managers, etc.

▪ **Infrastructure Constraints:**

- In the absence of adequate training infrastructure, there is deterioration in the quality of training being delivered to students, thus impacting the quality of output and human resources for the AVGC industry.

▪ **Less focus on Research Development:**

- There is also a need to develop research related narrative for the AVGC-XR sector, so that dedicated focus can be given to it.

▪ **Absence of an AVGC Academic Reference Point:**

- There is no apex institute in India for the AVGC sector unlike other sectors such as engineering, design, management, packaging, etc.

▪ **Availability of Funds:**

- At present there is no dedicated fund available for the promotion of the AVGC sector which acts as an obstacle for the growth of the sector in India.

▪ **Lack of Globally-Popular Indian IPs:**

- The AVGC sector in general has suffered a lack of original Indian **intellectual property** as most work in this sector is outsourced.
- Animation industry is dominated by services to other countries and thus it is important to incentivize local production with additional concessions to increase local IP.

What are the Government Initiatives to Promote the AVGC-XR Sector?

▪ **Educational Integration:**

- The **National Education Policy (NEP) 2020** has integrated creative arts, design, and sports into the school curriculum from Class 6 onwards, fostering a conducive environment for nurturing talent in AVGC-XR.
- Around 5,000 CBSE and state board schools have introduced AVGC-XR learning, with plans for expansion nationwide. This initiative aims to redefine animation as a form of family entertainment suitable for all ages.

▪ **Policy Framework:**

- To unleash the scope of the AVGC sector, **Union Budget 2022-23** announced for setting up of an **AVGC Promotion Task Force** to recommend ways to realise and build domestic capacity for serving Indian markets and the global demand.
- Collaborative efforts between industry bodies like FICCI, ABAI (Association of Bangalore Animation Industry), SAIK (Society of AVGC Institutions in Kerala), and government entities are underway to formulate robust policies tailored to each state.
 - States like Karnataka, Maharashtra, and Telangana have already implemented proactive measures to support the sector's growth.

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Making India the global hub for AVGC

Recommendations of the AVGC Task Force for promotion & growth of the AVGC sector

Domestic Industry Development for Global Access

- ‘Create in India’ campaign for Content Creation In India, For India & For the World!
- National Centre of Excellence (COE) for skilling, education, industry development & research & innovation for the AVGC sector

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Enhancing Technology & Financial Viability for Indian AVGC Industry

- Enhanced Ease of Doing Business in AVGC sector
- Start-Up India to provide technical, financial & market access assistance to AVGC entrepreneurs

Way Forward

- Continued emphasis on skill development programs tailored to the AVGC-XR industry is essential. This includes both formal education initiatives integrated into school curriculums and vocational training programs to equip aspiring professionals with the necessary skills.
- Foster closer collaboration between industry players and educational institutions to ensure that curriculum and training programs are aligned with industry needs. Internship opportunities, guest lectures, and industry-sponsored projects can bridge the gap between academia and industry.

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