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Cinema in Pakistan: Economics, Institutions and Way Forward

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ABSTRACT

Internationally, cinema has been recognised as one of the important sources of creating value, growth and employment. With huge box-office returns and internationalisation of filmic content, cinema has turned into a lucrative market for ensuring economic growth. In addition, recently, multiple cinematic avenues are also in vogue in the form of Over the Top (OTT) platforms which have pushed the medium of media content on screenplay, technical and performative fronts. When it comes to Pakistan, conceptualisation of cinema as a market for social change is lacking, both theoretically and pragmatically. The current study is an attempt towards that conceptualisation and hence explains emergence of Pakistani filmmaking with a focus on its history. The paper also provides a description of operable and non-operable institutions of cinema in Pakistan and economics of New Cinema which is primarily associated with the films produced post-2000. Finally, the paper prescribes a few policy recommendations based on the literature reviewed for the current study.

Keywords: Cinema, Market, Pakistan

1. INTRODUCTION

Over the years cinema has become one of the emerging engines of economic growth around the globe. The annual report published by Theatrical and Home Entertainment Market Environment (THEME) shows that the combined theatrical and home entertainment market was \$96.8 billion in 2018 which represents a 9 percent increase since 2017 and 25 percent since 2013. With this increase was also witnessed the highest global box office and increased number of cinema screens to 190,000. The highest box office earning films of Hollywood are specified in the Table 1.¹

Table 1

Highest Grossing Films of Hollywood

Rank	Film	Release Year	Box Office Collection (In USD)
1	Avengers: Endgame	2019	\$2.796 billion
2	Avatar	2009	\$2.79 billion
3	Titanic	1997	\$2.19 billion
4	Star Wars: The Force Awakens	2015	\$2.07 billion
5	Avengers: Infinity War	2018	\$2.05 billion
6	Jurassic World	2015	\$1.67 billion
7	The Lion King	2019	\$1.60 billion
8	The Avengers	2012	\$1.52 billion
9	Furious 7	2015	\$1.52 billion
10	Avengers: Age of Ultron	2015	\$1.41 billion
11	Black Panther	2018	\$1.35 billion
12	Harry Potter and the Deathly Hallows: Part 2	2011	\$1.34 billion
13	Star Wars: The Last Jedi	2017	\$1.33 billion
14	Jurassic World: Fallen Kingdom	2018	\$1.31 billion
15	Frozen	2013	\$1.29 billion
16	Beauty and the Beast	2017	\$1.26 billion
17	Incredibles 2	2018	\$1.24 billion
18	The Fate of the Furious	2017	\$1.24 billion
19	Iron Man 3	2013	\$1.21 billion
20	Minions	2015	\$1.16 billion

¹<https://www.pastemagazine.com/articles/2018/11/the-highest-grossing-movies-of-all-time.html>

The worldwide situation regarding economics of cinema defined along the axis of box office returns, employment opportunities, and highest grossing films are illustrated in the following table.

Table 2
World Wide Box Office Situation²

Global Box Office Revenues (2019)	42bn USD
No. of jobs in Hollywood	2 million
No. of American Businesses Supported by Hollywood	400, 000
Share of British film and TV to the UK economy	60bn UK pound
Revenue generated by Hollywood	35.5bn USD
Highest box office market share of film studio in US	Disney
Movie tickets sold in US (2019)	More than 1bn
No. of cinemagoers in US (2019)	More than 10m adults (between 25 & 39 years)
North American Box Office Revenue	11.32bn USD
Box Office Revenue Generated by 3D Films in US & Canada	1.3bn USD
No. of Digital 3D cinema screens in U.S. & Canada	16,586
Highest Grossing Movie in USA	Avengers: Endgame 858.37m USD
Most no. of Tickets Sold in 2019	China (1.65bn)

Similarly, in India, cinema is a major market generating value, growth and employment for the country. Following table shows the extent of cinema conceptualised as a potential market of growth in India.

Table 3
Box Office Returns of Indian Film Industry

Value of Film Industry in India (FY 2014-2024)	183bn INR
Position as producer of films	1 st (since 2007)
Highest return on film investment	<i>Uri</i> (876 percent of the original film cost)
Revenue generated from in-cinema advertising (2019)	11bn INR
Box office revenue in FY 2020	139bn INR
Highest Internationally Grossing Indian Film	<i>Dangal</i> (277mn USD)
Number of single screens in India (2019)	6.3 thousand
Number of screens in India by multiplex chain (2019)	812

² Information in table 2 and 3 are compiled from statista which is a composite secondary data base source of data related to markets.

When it comes to Pakistan there is dearth of literature on the economic turnovers of Pakistani film industry but one common observable phenomenon is of mushrooming of Cineplex, adoption of modern technological equipment in filmmaking, shooting in foreign locations and increasing box-office collections.

Khan and Ahmad (2016) trace the historical trajectory of cinema in Pakistan and identify that the lack of innovation, modern technology, internal frictions, emergence of private electronic channels, and exposure to International cinema has resulted in the downfall of Pakistani film industry over the years. These factors, in addition to explaining the identified issues, have not been the concern of policy discourse in Pakistan despite the fact that cinema is one of the most important manifestations of cultural industries globally. With this assertion in the background, this piece intends to describe a short history of cinema of Pakistan, the functioning of cinema industry in Pakistan, and what have been the economic channels as well as contributions of the industry to Pakistan economy. While doing so, this piece also prescribes a few operable policy outcomes. Current paper is synthesis of literature on economics of cinema in Pakistan. Considering dearth of scholarship produced on this domain, the current research includes three books, one policy document, two PBS reports, one THEME report and secondary data sources (Statista) to articulate different themes on cinema in Pakistan, as stated in the following text.

2. LOLLYWOOD: EMERGENCE, EXISTENCE AND ENDURANCE

Lollywood is a term associated with the film industry of Pakistan just like it exists for the Indian Film Industry (Bollywood) and American Film Industry (Hollywood). It is considered as the economic hub of Pakistani feature films produced in Urdu Language and a few in regional languages. Before the partition of East and West Pakistan, there were three centers where films were produced; Dhaka, Karachi, and Lahore. Post-1971, Pakistan lost one of its key film producing centers (Dhaka) and the industry became more centralised to Lahore more visibly in the martial law regime (Khan and Ahmad, 2016). In the following text we have briefly detailed the history of Lollywood from pre-colonial era to contemporary times.

Pre-colonial Cinema

- *In late 1920s, a production company named United Players Corporation was set up at the Ravi Road, Lahore which produced a range of versatile actors and actresses.*
- *In its attempt to mark difference from Bollywood industry, the Lahore's film industry back in 1930s was very much influenced by Hollywood in terms of basic structure and stylising, but not with respect to production design, and pre- and post-production cost due to which films were essentially shot in the daylight.*
- *The films were soundless, mostly. In the wake of experimentation with sound movies, Bombay released its first Indo-Pak sound movie, Alam Ara. Kardar (the owner of the production house) came up with his first directorial debut, Husn Ka Daku a few years after the release of Alam Ara. However, the film which in the capacity of a director brought him to limelight was Heer Ranjha (released in 1932). Since then the company has produced many famous films and given known names to the Pakistani film industry.*

1947-1956: Lahore as the Center for Film Production

- *After partition, many Lahore-based actors and directors moved to India. The left-behind industry was later recognised as Lollywood. The brain drain of talent from Pakistan to India (including film technicians and actors/actresses) coupled with dearth of filming equipment further bottlenecked the situation of Pakistan's film industry.*
- *Initially, partition was merely looked at as a political identity marker aiming that functioning of both film industries as well as mobility of film experts therein would not be affected by it. It was believed that once partition riots will be over, trade, commerce, and flow of cultural activities will resume the same old order. This perceptual reality was falsified when renowned Hindu and Sikh filmmakers were forced to migrate to India due to threat and social pressures.*
- *In addition, the renowned distributors who expected that their regular cultural transactions and cinematic activities will be routinised as these used to be in the pre-partition days, had to leave the country leaving behind businesses in the hands of amateur associates.*
- *The isolated film industry had to be dependent on the exhibition of Indian movies only, after 1947. The import of Indian movies was free of cost; hence Pakistan government enthusiastically screened Indian movies. This action did not go down well with the local filmmakers and they pressurised the government to put ban on Indian movies as the state of their industry's economic depravity was feared to be hijacked by the Indian film industry. The government still continued to import and screen films from India. However, the films based on socialist ideology or propagating communism were banned by the Pakistan censor board.*
- *From 1947 till 1956 Lahore remained the center of film production in Pakistan although exhibition networks expanded to other cities including Karachi. More studios also burgeoned in this decade which also institutionalised their publicity departments for advertising their film productions and projection of their film stars. These companies gave iconic film stars such as Noor Jahan, Santosh and Sabiha Khanam to the film industry.*

1957-1966: Lack of Quality and Range

In the next decade (1957-1966) the first colored film was screened in Pakistani cinema theaters. Post-1965 the running Indian movies were taken off from cinema halls and the rest were banned to be released in Pakistan. The immediate result of this ban was the increase in the demand for local films but the quality of film production as well as the diversity and range of themes had to match up to the films produced in India.

1967-1976: An Era of Radical Change

- *The next decade (from 1967 till 1976) which is also said to be the decade of experimentation witnessed the fall of Dhaka in 1971 due to which the country lost many trained artists.*
- *Another radical change which this decade brought was Video Cassette Recorders (VCRs) which were introduced in the mid-1970s. The introduction of VCRs changed the perception of film viewing experience in Pakistan, on one hand and on the other hand encouraged smuggling of pirated video cassettes of Bollywood and Hollywood movies. In 1970s, National Film Development Corporation (NAFDEC) was also institutionalised for the development of film studios and promotion of Pakistani film industry. In the subsequent decades the role of studios has merely reduced to rent out facilities for television productions.*

1977-1986: Regulation and Censorship

- *The next decade which starts from 1977 and ends at 1986 is tagged as one of the most important phases as it saw Zia's Islamisation process which practically deteriorated all existing performing arts but films were the most severed.*
- *As part of the regulation process in 1980 it was declared that the filmmakers had to be degree holders the result of which was that many film makers were disqualified for filmmaking. As a result, a sharp decline in the number of films released (i.e. from 98 in 1979 to 58 in 1980) was witnessed. The administration further demolished many cinema halls especially in Punjab, imposed taxes raising cinema tickets' cost which resulted in reducing the number of cine goers.*
- *Strict regulation by the censor board on the display of intimacy and affection resulted in the proliferation of Punjabi films endorsing gandassa culture and over-the-top emotions. This era also witnessed the emergence of regional cinema in the form of Pashto films.*
- *The Pushto filmmakers navigated through the censorship policies through their political support and depicted highly suggestive and connotative content which attracted a huge number of cinema goers in the city predominantly men.*

1980s and 1990s: Reduced Quantities and Compromised Qualities

Thematically and infrastructurally, the decade starting from late 80s till late 90s was inconsistent in terms of economic returns.

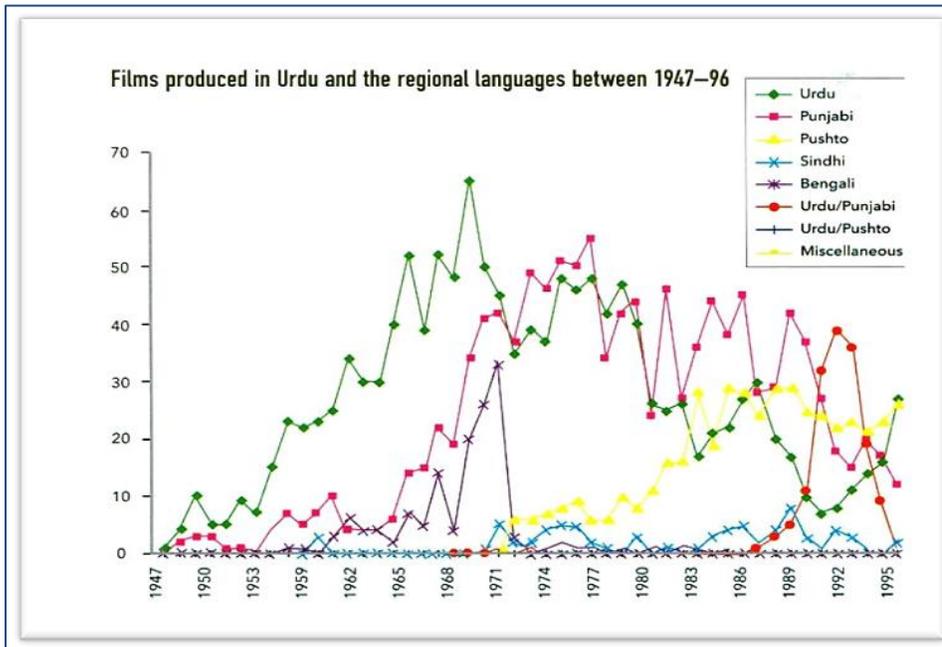
First reason is that the number of films produced reduced from 100 (in 1980s) to 40 (in late 90s).

Secondly, film production houses and financiers disappeared due to lack of economic returns and only independent filmmakers were injecting their own resources to produce films.

- According to Gazdar (1998) who presented the number of films produced from 1947 till 1997, Urdu language films dominated the cinema production from 1953 till 1971, after which the number of Punjabi language films eclipsed the decreasing number of Urdu films.
- He also calls the late 1950s to the mid-1970s as the golden era as the number and quality of films produced were of higher standard. In the years following late-1970s not only the number but the quality of Urdu films deteriorated. As highlighted earlier as well, there can be many reasons attributable to this decline in quantity and quality:
 - (i) The disintegration of East and West Pakistan,
 - (ii) VCRs and unhampered availability of Indian Films,
 - (iii) Strict censorship policies under General Zia's regimentation, and
 - (iv) Increase in the number of PTV dramas glorifying moral policing.

The graphical exposition of the number of films produced from 1947 till 1996 by Pakistani film industry is shown in Figure no. 1:

Fig. 1. No. of Pakistani Films (1947-1996)



Source: Pakistani Cinema: 1947-1997 authored by Mushtaq Gazdar.

Post-2000: 'New Cinema'

- *In 2002, Jawed Sheikh's Yeh Dil Apka Hwa which crossed 200 million rupees across Pakistan increased investors' interest in filmmaking as they viewed it as an economically lucrative venture.*
- *Till 2003 the situation did not seem to improve much rather the industry which somehow managed to release 100 movies per year in the last decade of 90s, had churned out only 40 movies by 2003.*
- *Since 2000 many new directors and screenplay writers have joined the industry and it is primarily after 2005 that the ray of hope for the revival of Pakistani cinema has attracted more financiers to invest in the industry. This was also the time when new television channels were also launched.*
- *Filmazia on-aired classic and new Pakistani movies and making of the new films, promotional videos and entertainment talk shows. As a response to cross-border mobility of performers, in 2005 the government lifted the ban on the screening of Indian movies in Pakistan upon the demand of film producers association and cinema owners association of Pakistan.*
- *In 2007, Geo Films started investing in Pakistani films under the slogan of Revival of Pakistani cinema. Khuda Kay Liye was released in 2007 under the banner of Geo Films. The film was also released in 100 cinemas in 20 cities of India. The film was a directorial debut of one of the PTV's most prolific director Shoaib Mansoor who through this film touched upon the sensitive issues of political Islam, transnational Muslims, and radicalisation in Pakistan.*
- *Another prominent film of this period is Zibakhana which revived the dying genre of horror in Pakistani cinema. It was also the first film which was recorded in HD in Pakistan. Ramchand Pakistani was another important film directed by Mehreen Jabbar starring Indian actress Nandita Das in the female lead. In the last one decade (2010-2020) more private production companies have increased in the country such as ARY Films, Six Sigma Films, Hum Films, MD Films, Shoman Productions etc.*

3. INSTITUTIONS OF CINEMA IN PAKISTAN

3.1. Film Trade Associations

In order to facilitate the process of filmmaking in Pakistan on performative and infrastructural fronts, a number of Film Trade Associations were framed (Gul and Sohail, 2018). Some of the prominent associations and their roles have been explicated in the following table:

Sr. No.	Association	Objective
1	Movie Actors Association of Pakistan (MAAP)	<i>To deal with issues largely related to the payments and salaries of actors.</i> The association was framed by late actor Yousuf Khan who was also its chairman and with his demise MAAP also died.
2	Pakistan Film Directors Association (PFDA)	<i>To deal with the professional trainings of and look out for possible profitable avenues for Pakistani directors.</i> Late director Aslam Daar was the chairperson of PFDA and with his demise, the association dissolved in 2014.
3	Pakistani Film Distributors Association (PFDA)	<i>To ease out processes related to the distribution of Pakistani films with cinemas and producers.</i> PFDA had two offices in Lahore, KPK, Karachi and Balochistan. The association is not functional now.
4	Pakistan Film Exhibitors Association (PFEA)	<i>To deal with the cinema-related matters and play out an intermediary role between producers and distributors.</i> PFEA also had two offices in Lahore, KPK, Karachi and Balochistan, just like PFDA. PFEA used to function actively and charge membership fee from all the cinemas. Now its role is more ceremonial than active.
5	Pakistan Film Importers Association (PFIA)	<i>To regulate the import of films from Bollywood and Hollywood.</i> Post-2007 when the import of films from India and Hollywood increased, PFIA was institutionalised to regularise the number and content of imported films. Due to current political situations between the two countries the ban has been imposed.
6	Pakistan Film Producers Association (PFPA)	<i>To deal with the issues pertaining to copyright of titles and disputes between producers and actors.</i> PFPA had two offices in Lahore and Karachi. General elections for the association's chairperson used to be held annually and who was elected alternatively from both the cities. PFPA exists today but not as an operable institution. It is currently chaired by renowned filmmaker Syed Noor.
7	Pakistan Film Writers Association (PFWA)	<i>To develop and nurture novel ideas for story and screenplay writing.</i> The association consisted of small group of screenwriters. PFWA is dysfunctional now

3.2. Motion Picture Ordinance

Institutionalised in 1979, the objective of the Motion Picture Ordinance is censorship and exhibition of films in Pakistan. It includes censorship code which acts as guiding principle for film production in Pakistan. Among the important postulates of this ordinance are included:

Establishment of Censor Board: The main duties include constitution of the board, certification of films, appeals, suspension of film exhibition, and power to hold film exhibition.

Exhibition of Cinematograph: The main duties include licensing of place of exhibition, and facilitating in direction for documentaries.

The ordinance also defines the procedures underlying film censor and constitution of censor board as per the rules outlined by the Ministry of Information, Broadcasting and National Heritage. Censor Board functions as an institution for specifying rules and regulations according to which film contents (scenes, frames, shots, dialogues etc.) can be censored. In case of objectionable film contents, procedures and penalties and rules are defined and are required to be mandatorily followed.

3.3. National Film Development Corporation

NAFDEC was framed in 1973 as public limited company. Its charter was based on: (i) importation and exportation of films and raw materials, (ii) Conducting local and international film festivals, (iii) Publication of film journals, (iv) Promotion of kids-friendly films, and (v) Construction of film studios and cinemas.

Initially NAFDEC imported quality films and arranged distribution of raw films to producers. The head offices were in Islamabad and bureau offices in Lahore and Karachi, it used to charge 7 percent fee on the import of raw film as a service charge. It also promoted art films alongside commercial films. To its credit was also a film magazine titled 'Cinema the World Over' and twin cinemas in Islamabad. In 1983 it started national film awards. It also produced 3 films. Apart from being a corporation, it was also an agency functioning for the promotion and development of films. The planning commission of Pakistan undermined this role of NAFDEC based on the fact that it didn't generate huge profits. Hence it was dissolved and the area was sold to a private owner for rupees 28 crore. Another state organisation for the registration of film producers, institutionalisation of film academy, handling matters related to copyrighting and subtitling, conducting film festivals, and film exportation was State Film Authority which was set up in early 70s but was also dissolved in 1978.

3.4. Central Board of Film Censors (CBFC)

CBFC comes under the federal government. Its main office is in Islamabad and two offices are functional under Punjab and Sindh governments respectively. If anything is found objectionable by the censorship panel (consisting of three to four members) such as content is found to be against religion, excessive depiction of violence of sexual contents, then the panels send the film to the board which consists of several censorship panels. If these panels raise objection then the film is finally screened to the Appellate board (consisting of Federal Secretaries and representatives of other ministries). In case

of similar decision, the film may get banned but usually the films get passed with minor deletions. CBFC consists of officials from different ministries and also representatives from private sector. There are also representatives from foreign office, academia, media, and agencies.

4. ECONOMICS OF 'NEW CINEMA' IN PAKISTAN

4.1. Use of Modern Technology and 'New Cinema'

According to Ahmad (2016) the story of new age cinema does not primarily start from 2013-2014 rather from 2006 and then in 2011 when Syed Noor's *Majajan* (2006) and Shoaib Mansoor's *Bol* (2011) were telecined for post-production work to abroad. Liberalisation and rise of satellite television companies such as GEO resulted in the opening up of new avenues for funding for films such as *Khuda Kay Liye* as explained in the preceding text. In order to match up to the sophistry of technology using which films were produced and shot, Pakistan's first multiplexes were established which catered to the 'upwardly mobile and propertied classes' of Lahore. For instance, the Defence Housing Authority (DHA) cinema caters to the class accustomed and gated environments. He also argues that digitalisation of exhibition has been accelerated by the sharp increase in urban land, property prices, expansion of corporate sector, consumer culture, and television advertisement. These factors to him are grouped together under the instrumental approach of urban development based on the broader agenda of neo-liberalism.

With this framework in the background, individual filmmakers thought of producing more contemporary themed films which would find suitable audience as well as more funding through state patronage, and also which will organically link them to overseas Pakistanis. The state and films' narratives were argued to be purposively aligned; for instance intersectionality of Musharraf's enlightened moderation and contemporary interpretations and representations of religious texts as depicted in *Khuda Kay Liye* or later in Bilal Lashari's blockbuster *Waar* (released in 2013) in which state's rampant narrative of fighting against terrorism was eulogised in the film through prime focus on counterterrorism and Indian conspiracy. *Waar*, in particular, is considered to be a torchbearer of new cinema in Pakistan not just for the reason detailed in the preceding text. The film was produced by a company *MindWorks Media*; headquarters in Islamabad owned by writer/producer Hasaan Waqas Rana who has signed contracts with ARY for producing action films. The film was also appreciated for long helicopter shots, chroma key for computer generated imaging shots, non-pantomime action sequences, sync sound, slick styling, and crisp editing.

Ahmad (2016) calls *Waar* as the visual 'spectacular possibility' which Pakistani cinema has been in dire need of. But on the other hand the overdose and overuse of technology in cinema has somewhere compromised the film content. Again, then who cares for the layered screenplays and textured writing when the money is in the right place! In addition to the big-budget movies, New Cinema also includes a parallel branch of small-budget films funded by the NGOs. In this regard (as also mentioned in the introductory paragraph) director Omar Khan's *Zibakhana* (released in 2007), Mehreen Jabbar's *Ramchand Pakistani* (released in 2008), Sabiha Sumar's *Khamosh Pani*

(released in 2003), and Farjad Nabi's and Meenu Gaur's *Zinda Bhaag* (released in 2013) are a few good additions to Pakistani cinematic landscape. Hence for alternative voices in Pakistani cinema which go beyond the formulaic routine of song and dance, melodrama and action, NGOs and Civil Society provided funds particularly for more politically and socially aware themed films.

As part of new digital wave, state of the art modern technology and equipment, and a few films shot on Arri Alexa cameras (used to shoot Hollywood films such as *Skyfall* and *Iron Man*), Ahmad (2016) not only calls this as the revival of Pakistani cinema but also the industrial revival in cultural industry of Pakistan. Having said that, the celluloid lobby is still very strong that still accommodate 35mm reel more easily than digital. For instance he quotes the example of the Nigar Cinema in Lahore where the projector operator (like many other cinema halls of Punjab) is not equipped to project digital films which obstruct the pathway to fully enter into economically lucrative 'New Cinema'.

4.2. Commercial Success of 'New Cinema'

The investments in the New Cinema in Pakistan are also attributed to the commercial success of the recently released Pakistani films. In the following are the top 10 highest grossing Pakistani films:

Table 4

Highest Box Office Collecting Movies of Pakistan

Rank	Film	Year of Release	Box Office Collection
1	Jawani Phir Nahi Ani 2	2018	PKR 70 crore
2	Teefa in Trouble	2018	PKR 50 crore
3	Jawani Phir Nahi Ani	2015	PKR 49 crore
4	Punjab Nahi Jaungi	2017	PKR 47 crore
5	Parwaaz Hai Junoon	2018	PKR 43 crores
6	Bin Roye	2015	PKR 40 crore
7	Waar	2013	PKR 35 crore
8	Wrong No.	2015	PKR 30 crore
9	Actor in law	2016	PKR 30 crore
10	Janaan	2016	PKR 30 crore

Ahmad (2016) is optimistic on the box-office returns but is also skeptical of the fact that the contemporaneous screenings of Pakistani and Indian films have resulted in latter devouring the businesses of the former. Moreover, he believes that *Waar* may have collected huge numbers in the first five days of its release in 2013 but then there were Indian films like *My Name is Khan* or *Bodyguard* or *Don 2* released a lot earlier than *Waar* and topped all box-box businesses. Hence he concludes by saying that the business of cinema is unpredictable and what is required to be realised is that in today's day and age not only Pakistan's film industry is reviving but overall media consumerism is also burgeoning in the Pakistani middle class. He also asserts that the economy of New Cinema is very complicated and if structured and regulated properly through new digital

order and construction of new cinemas, it can flourish. Subhani (2019)³ highlights that despite films released on different genres (action, comedy, family drama, romantic and thriller) in 2019; the number of Pakistani films released was low. In 2019 only 22 Urdu films were theatrically released. In 2018 and 2017, 21 Urdu films were released in each year. In 2016, 28 Urdu films and in 2015, 15 films were released. In 2014, 6 and in 2013 seven Urdu films were theatrically released.

4.3. Multiplex Cinemas

Talking about exhibition of films, over the last two decades the number of multiplexes has increased which primarily target educated class. There is no denying to the fact that Cineplex have reversed the increasing footfall to movie-going in Pakistan. These multiplexes charge large admission fee ranging from rupees 400 to 800. The multiplexes are technologically superior and also have 3D facility. The number of single screen cinemas has decreased over the years as response to opening up of multiplexes. Furthermore, due to power shortages, electricity bills, projection carbons, diesel for generators, and staff salaries, many single screen cinemas have been shut down. In the old days when single screen cinemas were the only viable and affordable option, the entertainment was not meant to be catering to the elite class only. These days due to influx of multiplexes in major cities of the country the cinema watching experience has become more of an activity of elitist class who not only pays the ticket price but also spend extra amount on popcorn, nachos and drinks. According to Pakistan Bureau of Statistics, the number of cinemas and the seating capacity by province/district/division in 2018 and 2019 is detailed in the following table. The data reveals that the number of cinemas and seating capacity has reduced in one year.

Table 5

Total Number of Cinema Halls in Pakistan in 2018 and 2019⁴

Sr. No.	Province	No. of Cinemas 2018	Seating Capacity 2018	No. of Cinemas 2019	Seating Capacity 2019
1	Punjab	57	24050	56	27857
2	Sindh	23	9500	12	8514
3	KPK	10	7950	0	0
4	Balochistan	2	1600	1	278
5	Federal Capital Area	3	1000	3	883
Total		95	44100	72	37532

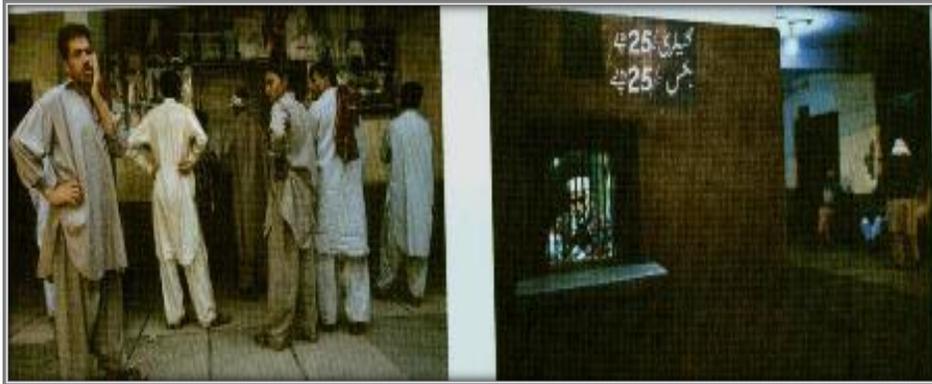
The same survey also shows that the number of cinemas has reduced sharply from 245 in 2007-08 to 95 in 2017-18 and 72 in 2018-19. Similarly, the seating capacity has

³ <https://www.geo.tv/latest/263717-only-22-urdu-films-released-in-pakistan-in-2019>.

⁴ The data has been tabulated from Pakistan Bureau of Statistics' report which can be accessed from <http://www.pbs.gov.pk/sites/default/files//tables/renam-as-per-table-type/Cinemas.pdf>

also reduced from 124980 in 2008-09 to 37532 in 2018-19. Moreover, the Atrium Cinemas (now known as ME Cinemas) ran 1093 shows between 2017-18 with an occupancy percentage of 55 percent which has fallen to 29.14 percent in 2018-19 from 979 shows, and 12.8 percent from 842 shows from December 2019 to March 2020.

Fig. 2. Traditional Single Screen Theaters Still Exist across Pakistan Catering to the Entertainment Needs of the Poor



Source: Cinema and Society: Film and Social Change in Pakistan edited by Ali Khan and Ali Nobil Ahmad.

Fig. 3. Inside View of Atrium Karachi Cineplex



Source: Cinema and Society: Film and Social Change in Pakistan edited by Ali Khan and Ali Nobil Ahmad.

4.4. Entertainment Duty

Cinema industry in Pakistan went through turmoil in 1980s and 1990s as a result of policies of high rate of Entertainment Duty. Over the years more than 500 cinemas have shut down in Pakistan. In 2001 the government of Pakistan undertook swift policy changes to encourage establishment of new cinemas. In every province incentives in the form of tax exemption were extended. In Punjab, in particular, the government of Punjab

rehabilitated the cinema industry. The policy incentives as devised and implemented in Punjab are presented in tabular fashion.

Sr. No.	Policy
1	In 2001 the government of Punjab issued a notification stating that entertainment duty will be fixed on the basis of per day.
2	In 2004 the government of Punjab issued a notification and decided that the government will exempt all cinemas from payment of entertainment duty for two years starting from 2014.
3	In 2006 , the government of Punjab issued notification and decided to exempt all cinemas from the payment of entertainment duty for period of next three years.
4	In 2009 the government of Punjab issued a notification and exempted all cinemas from the payment of entertainment duty for a period of next three years.
5	In 2010 , the government of Punjab exempted all cinemas from the payment of entertainment duties for a period of next three years.
6	In 2014 , the government of Punjab issued a notification in which it was decided to exempt all cinemas (existing and newly built) from the payment of entertainment duty for a period of next five years.
7	Currently, the matter related to entertainment duty is under consideration by the government of Punjab. At present no duty is being collected by the excise department.

In the province of KP and Balochistan, entertainment duty has also been exempted. As a result of these pro-cinema industry policies, the industry showed significant progress starting from the year 2007. Also, since 2007 more than 60 multiplexes and 150 screens have been added in the country. It is to be stated that up until 2013 Islamabad was the only capital in the world which did not have the cinema halls for more than ten years but not it has two of the most state of the art cinema halls in the city. Currently, due to ban on the theatrical release of Indian movies in Pakistan, the industry is suffering from many losses such as excessive capital expenditure and low economic returns. This should also be noted that currently the federal government has decided to demand for the payment of entertainment duty at the rate of 50 percent and *Mandiwalla Entertainment*⁵ has raised serious concerns over this decision and has asked for more uniform policies across all the provinces.

4.5. COVID-19

In August 2020, the Government of Pakistan decided to re-open cinemas and theaters with strict observance of Standard Operating Procedures (SOPs). Film producers, cinema owners, exhibitors and distributors have raised concerns as they view that many cinema halls may not be able to follow SOPs due to the fact that management will take at least 3-4 weeks on the implementation of SOPs. Furthermore, selling ticket at the same

⁵The company for the importation, distribution and exhibition of films in Pakistan for more than thirty years.

pre-COVID-19 price will not cover the cost of cinema maintenance and SOPs observance. They also anticipate that despite government's permission, at least 7-8 months are needed to adjust to the new normal considering that film production had to be halted in March 2020 due to pandemic. Hence, securing revenues through re-runs of local and international cinema may be the solution but that will not guarantee returns. The access to OTT platforms has also posed a new challenge for the survival of cinema and theatre culture worldwide and in Pakistan such platforms are being consumed and are considered as the latest trend but film distributors seem hopeful that Pakistani people prefer communal cinema over individualised consumption of filmic materials. They also believe in the fact that once open people will prefer coming to cinemas because cinema viewing provides a safer and cheaper source of communal recreation in Pakistan.

5. EXISTING POLICY DEBATES

In 2018 Pakistan's first film and broadcasting policy was framed by the Ministry of Information, Broadcasting, National History & Literary Heritage. The policy proposes fiscal incentives, regulatory framework, and production designs of cinema and TV to facilitate cinema and drama production in Pakistan.

Key policy related points of the document are postulated as follows:

- The policy proposes to frame a Film Directorate whose director will be a Grade 21 officer along with formation of an independent Board of Governors for the effective implement of policy framework for rejuvenating film and TV industry in the country.
- Provision of facilities of Studio Complex, Post-production, and Film Academy. Policy chalks out to opt for public-private partnerships to provide facilities of water tank, sound stages, animation studios, special effects, modeling and set construction shops.
- In order to facilitate post-production process within the country, policy instruments such as tax exemptions, import tariff relaxations, and soft-loan schemes are proposed in the document. The intent is to mobilise financial and human resources to create competitive indigenous film-production market.
- For boosting creativity and enhancing quality of filmmaking, a National Film Academy is also proposed in the policy. This academy will provide latest knowledge about acting, writing and screenplay, pre- and post-production of films, and film technology.
- Among the first fiscal incentives facilitating film and drama production in Pakistan is that the import of cinema, film and drama production equipment should be exempted from custom duty and tariffs for 10 years through amendment in the Custom Act 1969 in the Finance Bill 2018.
- High sales tax on cinema and drama equipment impedes the process of filmmaking in Pakistan. Hence, the policy recommends to amend the Sales Tax Act 1990 in the Finance Bill 2018, so that Sales Tax gets to the lowest.
- Proposal to institutionalise film and drama finance fund will enable tax payers/SECP listed company to access for the establishment of film academy, cultural museums, studios, cinema buildings, production houses and post-

production facilities. This fund will be governed by an independent board with corporate sector contributing to it and availing tax incentives.

- All the investments by tax payers/SECP listed company in cultural economy covering areas such as cultural heritage and film museums, cinema houses, academies, and pre- and post-production activities will be exempted from income tax for a period of 5 years. Such ventures will also be given the status of corporate social responsibility under which company will be eligible for tax deduction from their tax liability.
- In order to ensure sustainability of cinema houses, policy proposes that cinema houses with ticket of PKR. 350 will be exempted from income tax for 9 years with permission of increase of 15 percent in ticket price after every 3 years (adjusted for inflation rate).
- The entertainment tax duty should be waived off for 5 years which will incentivise cinema owners who sell cheaper and affordable tickets.

6. POLICY RECOMMENDATIONS

Based on the subject matter as explained in the preceding text, following way forward may be of some use:

- According to UNESCO (2017)⁶ Pakistan has one of the lowest screen to population ratios. Given the population of Pakistan, 5000 screens and seating capacity of 200 people are needed. Hence building film infrastructure is mandatory on the part of public and private sectors.
- Training, education, screening of student films, conducting film festivals, workshops, and seminar series are also mandatory for creating film societies and for encouraging fresh talent into the film trade. Establishment of film school or a film foundation can also be very effective in this regard. On the part of filmmakers it is also important to encourage their inclusion in filmmaking. Also critical is the need for advanced learning of modern technology such as animation and CGI/special effects.
- National archives must also include film archives considering that Pakistani film industry is 70 years old and has produced over 5000 films (including documentaries), still there exists lacuna when it comes to finding a database for these filmic materials and expositions. These archives must include all the information of the films in textual and pictographic expositions. Concerted efforts on the part of both public and private sectors will be efficacious in this regard.
- The role of government must also go beyond announcing Pakistan's 'first' film and cultural policy in which allocation of funds for film studios and filmmaking academy were guaranteed. It is also important to see the outcome of exempting duty on the importation of film equipment and sales tax on films. Hence, more granular research is needed to reflect on the impact of governmental film and cultural policy.

⁶<http://uis.unesco.org/en/country/pk?theme=culture>

- A backwards integration strategy as explained by Ahmad (2016) can be applied to ensure profits from filmmaking in Pakistan. Through this strategy money collected from the films can be injected back into indigenous filmmaking.
- Another effective strategy for increasing the number of cine-goers can be the provision of cinema tickets at concessional prices which has actually worked in theaters such as DHA Lahore, Atrium in Karachi, Centaurus in Islamabad and other Cineplex mostly in Punjab.

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