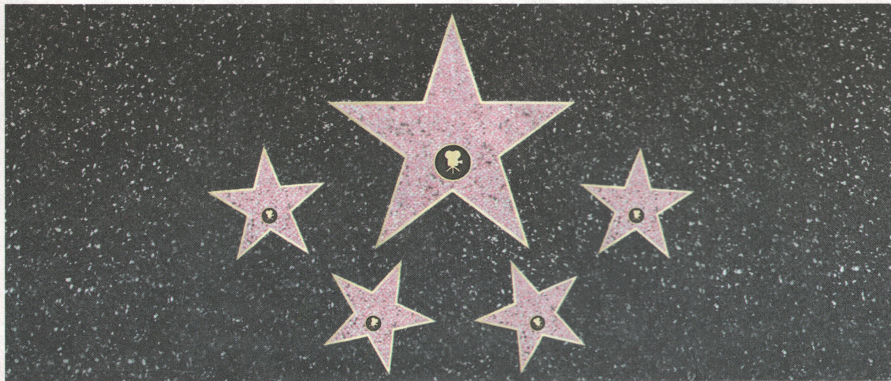


# CHOLLYWOOD VS. HOLLYWOOD

BY ANDREW COHEN



Inspired by a burgeoning middle class with plentiful leisure time on its hands, China is investing heavily in the nation's film industry. After Bollywood and Hollywood, Chollywood is now the third-largest producer of films in the world.

China's infrastructure spending is currently larger than any other country's. According to the government's State Administration of Radio Film and Television (SARFT), China opens an average of four new movie screens per day—most of them digital and 3D capable—and boasts the world's largest outdoor movie theater. Box-office revenues are expected to overtake Japan's and India's, the second and third largest earners respectively. With its 64 percent growth rate in 2010, Chollywood is on target to surpass the US by 2020. "Almost no other industry has enjoyed such a growth rate," Jiang Tao, SARFT's film industry development director, told *Caixin*, China's finance weekly.

Despite the rosy figures, most filmmakers in China lose money. "This is a politically driven cinema country, not a market-driven one," David Wolf, of consulting firm Wolf Group Asia, told the *New York Times* in 2010. Behind the scene lies institutional market manipulation: restrictive quotas on foreign investment and distribution (including domestic indie films), ideological regulations and intellectual copyright violations that thwart creativity and profitability.

The main reason for this situation is fear. Frightened of foreign domination of its film industry, both financially and culturally, the government (two of Chollywood's three state-owned production companies are backed by the Chinese military) has decreed that only 20 foreign films can be distributed each year, and has instituted a "projection with protection" screening policy, which arbitrarily limits schedules of foreign film showings.

Additionally, foreign companies can build new theaters, but they cannot manage them

and are limited to 49 percent ownership. After local owners divide receipts between themselves and domestic distributors, only 17 percent is left to foreign producers.

China continues to shoot itself in its own foot(age). The 2010 case of Chollywood's *Confucius* versus Hollywood's *Avatar* illustrates how curtailing moviegoer freedom reduces margins. According to the entertainment website *douban.com*, viewers preferred the hi-tech *Avatar* to *Confucius*, a propaganda film about the ancient philosopher, whose teachings are enjoying a revival in China. The latter film opened at a then-record 2,500 screens, but since *Avatar* was still outperforming it, the government, in an attempt to change consumer taste, tried to block *Avatar* screenings. The public outcry and local critical acclaim of *Avatar*, the top all-time highest box-office earner in China, limited authorities to pulling the film off the country's 2D screens and sidelining it to pricier 3D venues—representing 15 percent of screens countrywide.

Further illustrating the point, this year's Hollywood blockbusters *Transformers* and *Harry Potter and the Deathly Hallows: Part 2* were shelved until China's latest propaganda epic, *The Beginning of the Great Revival*, rung up RMB 800 million at box offices. Filmmaker Christopher Doyle, who has worked on the mainland for over three decades, told *AAP*, "In the Marxist-Maoist tradition, cinema is an adjunct of propaganda." In this, Doyle might have had *Great Revival* in mind.

Filmed in a kitschy, outdated Socialist-Realism style with 178 well-known actors (many reportedly compensated only with food and travel), and released on the 90th anniversary of the founding of the Communist Party of China, *Great Revival* valorizes Mao and the Party's rise to power through the prism of its present-day prosperity. The film should show a profit—thanks to coerced ticket sales at 6,200

theaters, including mandatory viewings for school children and Chinese corporations that rented theaters for their employees, according to CNN's Fareed Zakaria. Despite these fixes, however, China's pirated-film website, VeryCD, showed 90 percent of its users rating the film as "trash."

As the Party tightens controls over content and distribution, it unofficially condones the illegal pirating of DVDs—an alternative that consumers find both appealing in price (RMB 7, or roughly USD 1) and in content (uncensored)—which in turn bleeds profits from legal producers and distributors.

Rather than protecting intellectual property by battling pirates, China quixotically fights the paper dragon of 3D animation. *Kung Fu Panda 2*—one of this year's 20 permitted foreign films—was released to coincide with National Children's Day last June. The unlikely hero, a Panda named Po, is inspiring mass ticket sales across China. Po saves the country from the ruthless white peacock that transforms his parents' invention of fireworks into weapons of mass destruction to rule China.

The film, full of local Sichuan color, has its detractors. State-run Xinhua News Agency reports that certain artists such as Zhao Bandi, and intellectuals such as Beijing University's professor Kong Qindong, dubbed *Kung Fu Panda 2* a "cultural invasion." In an open letter urging Chinese cinema managers to boycott the film, Zhao says, "Children's Day should be pure. Don't turn it into a money-making day for Hollywood, and don't fool our next generation with American 'fast food.'"

Millions of fans on China's most popular microblogging website, *weibo.com*, disagree. According to Xinhua, they ask, "Why can't we produce such brilliant movies ourselves?" Chollywood's answer is *The Legend of a Rabbit*. Released in the Year of the Rabbit, its hero is an overweight kung fu bunny whose nemesis is an evil panda. Oddly, or perhaps typically, the Party's film vilifies the country's most precious indigenous species.

Last March the WTO ruled that China must open its market to more foreign films. Hollywood continues to develop a "presence" in China, awaiting relaxed trade restrictions. American studios, trying to circumvent quota restrictions, are co-producing with state-owned production houses. Though Hollywood often produces trash as well, viewers deserve the right to choose. It's no longer a matter of *if* China will open its cinema doors, but *when*. Such a revolution will bring Chollywood out of the red.

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