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Copyright with “Chinese Characteristics”: CCTV’s Copyright Reform and the Transformation of Media Production in China

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Intellectual property rights (IPR) (generally copyright, patents, and trademarks) have been a pivotal issue of trade relations between China and the Western world since the late 1970s when China opened up to the Western market and Western capital. The US played a leading role in putting pressure on China in terms of IPR. The issue of copyright was included in two of the earliest bilateral agreements between the two countries (Alford, 1995, p. 66). After getting tough on IPR in the mid-1980s (Sell, 2003, p. 178), the US began to make greater demands on China regarding the protection of US IPR interests. Between 1989 and 1995 the two countries signed three Memorandums of Understanding on IPR and then met frequently to discuss their enforcement (United States Congress, 1997, p.7). Intense foreign pressure along with domestic initiatives to boost the media and cultural sectors resulted in the fast-tracking of Chinese IPR laws. The Trademark Law and Patent Law took effect in the 1980s while the Copyright Law was promulgated in 1990 after long and heated debate (Alford, 1995; Liu, 1998). This Copyright law was amended in 2001 to meet WTO requirements and a second review, focusing on issues related to digital technology, is now being discussed by researchers and legislators. The number of patent applications, trademark registrations and copyright lawsuits has increased drastically in the last three decades. IPR, translated into Chinese as *zhishi chanquan*, or “property rights over knowledge,” has become deeply entrenched in Chinese society. In a high profile manner, China’s Vice-Premier Wang Qishan stated that, “On IPR China has managed to

accomplish in 30 years what took Western-developed countries more than 100 years” (Wang, 2008). In terms of the pace of law-making and the power and scope of state intervention, he was certainly not boasting.

However, IPR disputes between China and the major Western countries continued and were often framed as China’s “piracy” problem: underground CD factories, unauthorized copies of software, movies, and music in the retail market,¹ toys that bear well-known trademarks (without due permission) together give the picture of an audacious China ignoring IPR norms. Explaining China’s “resistance” to IPR is the central theme of a series of studies. Alford (1995) attributes it to Chinese tradition, political culture and the fact that China’s economic growth has not generated sufficient domestic motivation for IPR. Mertha (2005) adopts the idea of “fragmented authoritarianism” to explain the contradiction between central government’s legislative endeavors and the enforcement problem at a local level. Drawing on the existing studies I argue that we can obtain a different insight into copyright in China by not looking (merely) at consumer market issues but (also) at media and cultural production

¹ The question of the enforcement of IPR in China centers mainly on the retail market in relation to “pirate” optical disks, counterfeit consumer goods, etc. Serious endeavors are seldom made to study the issue of “piracy” in the market for business users of media and information goods. Some IT critics in China comment that, if the business users’ market were included in the calculation, China’s “piracy rate” would be significantly lower than generally believed (Fang, 2004). The author’s interviews conducted in Beijing, 2009, also found that business users, especially large enterprises, generally use “authentic” software, partly due to the risk of being caught, partly due to the fact that they need technical assistance from the software producer.

processes. Copyright does not only regulate the distribution and consumption of ready-to-sell media products but also media production. Only by looking at changing social relationships in production can we fully understand the negotiation and disputes that arose as copyright problems emerged. These conflicts existed also in the history of IPR in the West and continue today (Hesse, 1995; Jackson, 2002; Rose, 1993; Lessig, 2002, 2004; Litman, 2001; Vaidhyanathan, 2001); the case of contemporary China just adds one more chapter to this long and contentious history. If we stick only to a comparison between Chinese and Western codes and their enforcement in the retail market we may miss the overall picture in which different interests and beliefs contradict and compromise how copyright regulates Chinese culture and society. In the case of China Central Television (CCTV) discussed below, the production of television programs in China underwent a difficult reform aimed at transforming media production in order to comply with copyright requirements. This took place within the context of media commercialization and the growing role of copyright in China. While copyright reached deep into media production and management, political, economic and social circumstances also contributed to the emergence of a copyright system "Chinese style."

China Central Television's (CCTV) copyright reform is part of a Chinese media reform at a time when the media and communication sectors are taking center stage in the global political economy (McChesney and Schiller, 2003). Transnational media corporations, most of which are based in the western world, are expanding aggressively into all markets, including China. Copyright, being the cornerstone of commercial media in the West, is becoming the key element in a global media market. Chinese

media undergoing marketization (Zhao, 1998, 2008) cannot produce and distribute media products without complying with copyright requirements. Nevertheless, reforming media production is never easy. In the case of CCTV, the motivation for reform came both from problems in distributing audio-visual products on the market and the increasing number of copyright litigation that profoundly troubled the Party's foremost mouthpiece in television.

CCTV distributes its audio-visual products through China International TV Corporation (CITVC), its fully-controlled subsidiary. Compared to CCTV, CITVC is tied less to Party/government policies and engages more in "market" activities. The distribution of audio-visual products from CCTV programs led to a number of copyright disputes, the most well-known of which was the lawsuit launched by two stage-drama actors, Chen Peisi and Zhu Shimao. Chen and Zhu sued CITVC for editing and distributing their mini-drama performances at CCTV's Spring Festival Galas without their authorization and the court decided in their favor. However, this was only one of many cases faced by CITVC and this reflected the lack of adequate copyright management in TV production at CCTV. In addition to problems regarding distribution, CCTV's production and management were also troubled by copyright disputes. Its production of an entertainment show resulted in a lawsuit that disputed the authorship of a song, and the control over its long term logo was challenged by a retired employee on copyright grounds.² In short, the growing number of copyright disputes seriously damaged the reputation and public image of CCTV. A copyright reform was an inevitable step.

CCTV's copyright management began back in the mid-1990s when its marketization accelerated and it set up its own law office, one of the

² The case of CCTV's logo is published in BJSPC (2005).

earliest in-house law offices in Chinese media industry. Major efforts were made in the first decade of this century. Copyright became increasingly important in production and management decision-making. Copyright workshops, training sessions and info pamphlets were provided to managers and employees at CCTV to “increase copyright awareness (tigao banquan yishi).” In 2004 CCTV set up a new copyright office (banquan chu) in charge of copyright issues. Unlike the law office (fagui chu), the new copyright office reported directly to Zongbian Shi (Chief Editorial Office) and thus had a much tighter control over program planning and production. The copyright office conducted large-scale surveys, investigated current and old productions and programs and initiated a series of reforms to ensure CCTV’s copyright control over its productions. New copyright policies, template copyright transfer agreements/clauses for employees and contracted workers as well as production control mechanisms were put in place. By the end of 2008 CCTV had put in place a sophisticated and well-managed copyright system.³

CCTV was not alone in introducing a copyright reform in media production. In the first decade of this century many Chinese media corporations, including publishing companies, radio broadcasters and Internet companies came under intense pressure to review and reform their production management to meet copyright requirements.⁴ Those who did business with foreign partners, mostly major Western media corporations, were hardly in the position to refuse using copyright terms to describe the control and trading of cultural goods. Moreover, since copyright law of-

fered new controls and benefits to some parties involved in media production (e.g., authors and performers) and a new stage for the settlement of litigation (the court), an increasing number of conflicts in Chinese media sectors were disputed using the concept and notion of copyright. CCTV’s copyright reform reflected the growing role of copyright in Chinese media and society and demonstrated some interesting aspects of this historical process.

Firstly, CCTV’s copyright reform was implemented when CCTV was a key player in the market. Being the Party’s mouthpiece in the television sector, CCTV controlled huge political, market and labor resources. For individuals/corporations doing business with CCTV it was very difficult to challenge CCTV when presented with a template contract containing copyright clauses. This is not to say that CCTV executives or lawyers deliberately exploited CCTV’s market advantage to make “unfair” gains but that other domestic television and production corporations/individuals were never on an equal footing with CCTV. “Copyrightization” of their relationship with CCTV resulted in the consolidation of CCTV’s power and advantages in proprietary terms. It is in this sense that the copyright reform, aiming to redefine and adjust CCTV’s control over its productions in a copyright-compatible manner, fixed and converted CCTV’s power into copyright properties, thus reinforcing its dominance.

Secondly, the copyright reform placed CCTV in a better position to cooperate with or compete against major Western media in China and internationally while it put further pressure on other Chinese media corporations to “copyrightize” their productions. Since CCTV’s production control did not previously rely greatly on copyright, its market adventures overseas had been rather limited (or less adventurous) as they were not entirely compatible with local business practices. The

³ Information here is based on my previous work experience at CCTV and interviews conducted during my field trip in December 2008/January 2009.

⁴ Interviews conducted during my field trip in December 2008/January 2009.

reform could certainly help in this respect. Moreover, major transnational media in China always needed to cooperate with CCTV, the dominant domestic player. With CCTV becoming more copyright-friendly, they can now import more business strategies and products to China, otherwise not possible or profitable due to incompatibility with their major local partner. In the domestic market, copyright practices by the leading player can gradually lead to copyright-oriented changes in the entire industry, pushing everyone to follow suit. In short, CCTV's pro-copyright move can trigger a series of changes in Chinese media industry and significantly promote the importance of copyright.

Thirdly, CCTV's copyright reform was initiated and carried out in a top-down fashion within the corporation. Copyright was understood to be a management issue, whose focus was on the control of production and working procedures. Employees were the subject of copyright education and implementation rather than one of the parties in a copyright transfer from individual labor to corporate ownership. Again, this is not to say that the copyright reform deliberately aimed at depriving employees of their rights but that, in a managerial innovation effort, corporate interests were given top priority. As a matter of fact, nobody raised objections to the reform on the basis of individual interests. This was probably not surprising in that, for some employees, CCTV was the provider of housing, health benefits, retirement and virtually everything under the "old" planned-economy system. It would not make sense to risk all of this for IPR. For others, CCTV as the dominant player in the industry was the best employment choice. They were not in the position to negotiate with CCTV on employment terms, "unfair" or not. As a result, CCTV's copyright reform slanted decidedly towards

business interests at the cost of media workers.

CCTV's copyright reform shows how copyright is being implemented, rather than resisted, in Chinese media sector. Being the leader in television and one of the giant corporations in the Chinese media industry, CCTV's copyright reform reflects copyright growth in the Chinese media and society in general. Although every media sector and corporation is different, key features of CCTV, including centralized top-down control, overwhelming market advantages as the dominant player, unchecked managerial power vis-à-vis labor, can be found in many other cases. Features of copyright reform at CCTV can reflect a copyright growth "Chinese style." The case of CCTV shows a pro-control, pro-business model of copyright growth, reinforcing existing market monopolies on the one hand, hindering individual rights and control on the other. If copyright, and IPR in general, is to keep its promise of promoting creativity and innovation by rewarding individual talents and stimulating market competition, then copyright growth in China, forceful as it is, does not bode well.

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Cost has become the biggest obstacle for 3G users

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From July 2009 to September 2009 CCID Consulting and Sohu IT, the IT arm of the Chinese search engine Sohu, jointly conducted an online survey of the commercial applications of 3G mobile phones.

The sample population, based on 4,473 validly completed questionnaires, had the following characteristics: in terms of age, respondents born in the 1970s and the 1980s made up the biggest percentage, accounting for 46.9% and 40.9%, respectively; in terms of monthly income, those with a monthly income of RMB2,000-4,000 (€195-390) accounted for 33.9% while those with RMB1,000-2,000 (€97-195) and those with over RMB6,000 (€584) accounted for slightly over 20% and those with RMB4,000-6,000 (€390-584) accounted for 16.15%; in terms of the monthly phone bill, respondents were divided into four tiers, namely under RMB50 (€4.9), RMB50-100 (€4.9-9.7), RMB101-200 (€9.8-19.5) and over RMB200 (€19.5). These four tiers accounted for 22.2%, 32.6%, 25.4% and

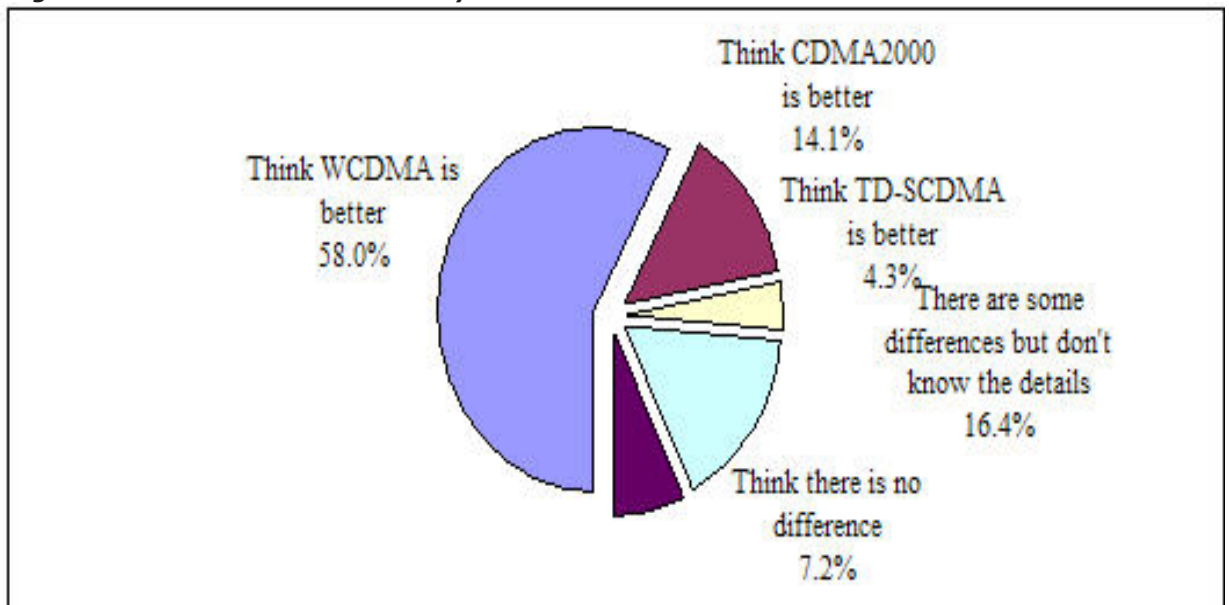
19.8% of the surveyed users respectively.

3G terminal brands have a potential influence on users' network service cognition.

The survey shows that, as regards consumer cognition of WCDMA, CDMA2000 and TD-SCDMA services, 58% of the surveyed consumers believed that WCDMA is better, 14.1% claimed that CDMA2000 is better and only 4.3% insisted that TD-SCDMA is better. Furthermore, 16.4% of the respondents believed that the networks are different but they did not know how. In this respect, as their first-choice 3G service provider 44.2% of the users chose China Unicom, 26.2% China Mobile and 18.4% China Telecom.

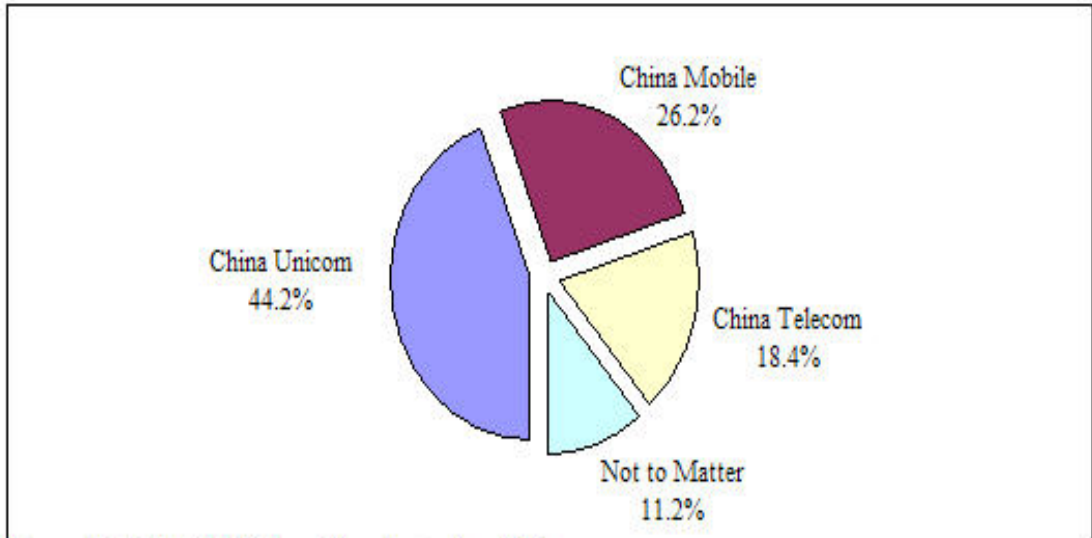
The survey results show that 3G terminals have become the primary element in consumers' perception of 3G. Of the three 3G systems, CDMA2000 can be smoothly upgraded from 2G. Consequently, China Telecom has an advantage in the construction of the 3G network.

Fig. 1 - Consumer Awareness of 3G Systems



Source: Sohu IT & CCID Consulting, September 2009

Fig. 2 - Consumers' First-Choice 3G Service Providers



Source: Sohu IT & CCID Consulting, September 2009

Although TD-SCDMA made a late start, China Mobile nevertheless provides a sound guarantee for the development of TD thanks to its operating power in the 2G era and high user numbers. WCDMA is still in an experimental stage as regards commercial use. Its network coverage, business promotion and user numbers are still very limited. One reason for high consumer recognition of WCDMA network services is the media coverage of successful WCDMA abroad. Another primary reason is that WCDMA is supported by international mobile phone vendors such as Nokia, Sony Ericsson and Apple Iphone. The influence of terminal brands has produced a potential impact on consumers' cognition of 3G network services.

Consequently, in the 3G promotion period when services have yet to mature, consumers concentrate more on terminals. Carriers should use high quality and diversified terminals to heighten consumers' awareness of the 3G demand and promote services brands, seeing this as the entry point for promotion, and strengthen user appreciation through diversified services. Meanwhile, as 3G services mature, a reduced emphasis on technical standards and strengthened service brands will help promote 3G

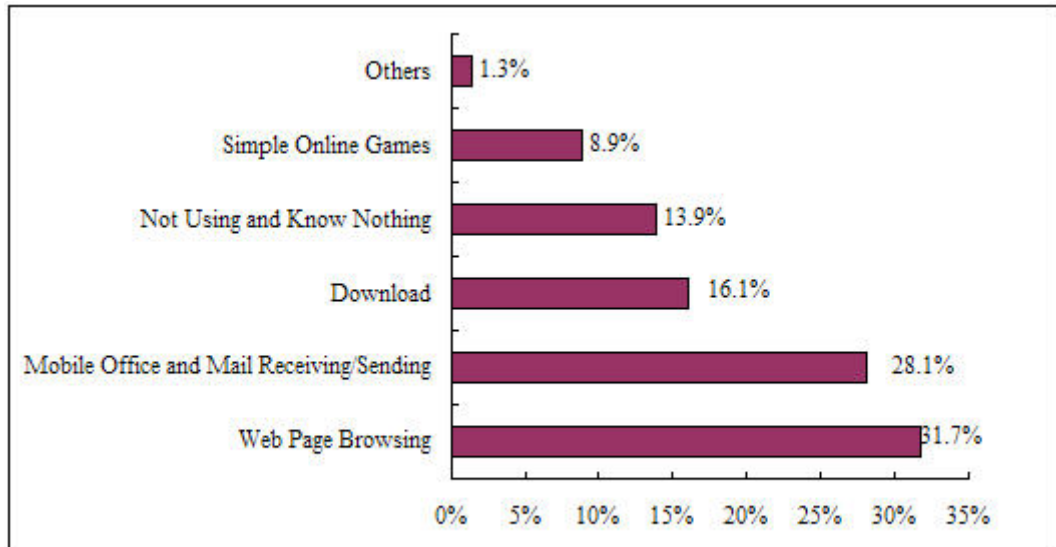
services.

3G services need to be more diversified, and the services market still has huge potential.

The survey shows that in the use of 3G netcard and netbook services, 31.7% of users selected web page browsing, 28.1% mobile office and mail services, 16.1% download services and only 8.9% simple on-line games. As regards 3G mobile phone applications, 44% of users selected high-speed Internet access through the mobile phone, 18.9% videophone, 16.8% mobile TV and video and around 10% mobile phone music and mobile phone games.

As regards 3G terminal services, the survey results show that Internet services have a great appeal for consumers. Meanwhile, consumers tend to access Internet content-based basic services through 3G network channels which is still an extension of the Internet services. Mobile payment, video conference and other various 3G applications still need to be developed and promoted. At the same time, while diversifying mobile Internet services, carriers should improve service delivery and highly segmented customized services

Fig. 3 - Users' Choices for 3G Netcard/Netbook Services



Source: Sohu IT & CCID Consulting, September 2009

based on the characteristics of the mobile Internet. This will become one of the key areas for the development of carriers' services.

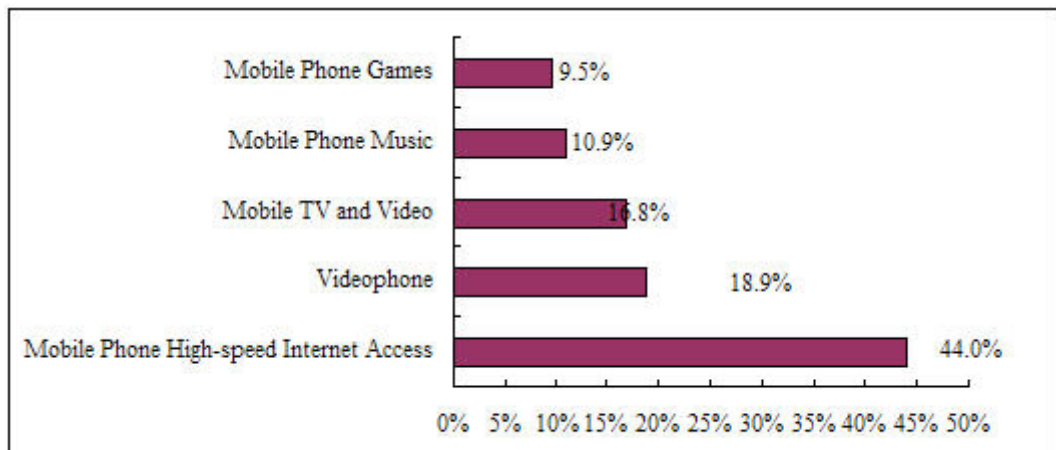
Cost has become the biggest obstacle for users in their decision on whether to use 3G.

The survey shows that almost half of those surveyed who had not bought a 3G mobile phone made it clear that they did not want to buy one while the majority of consumers who intended to buy were still taking a wait-and-see attitude and would make a decision after people around them had bought one. 45.5% of the surveyed users said

that they would not buy netcard in the near future. This figure rose to 63.7% for netbook. As regards the reasons for not buying a 3G mobile phone, the cost factor (including usage fees and mobile phone price) accounted for 43.8% while application services, network and mobile phone variety factors accounted for 15.8%, 15.5% and 14.1% respectively.

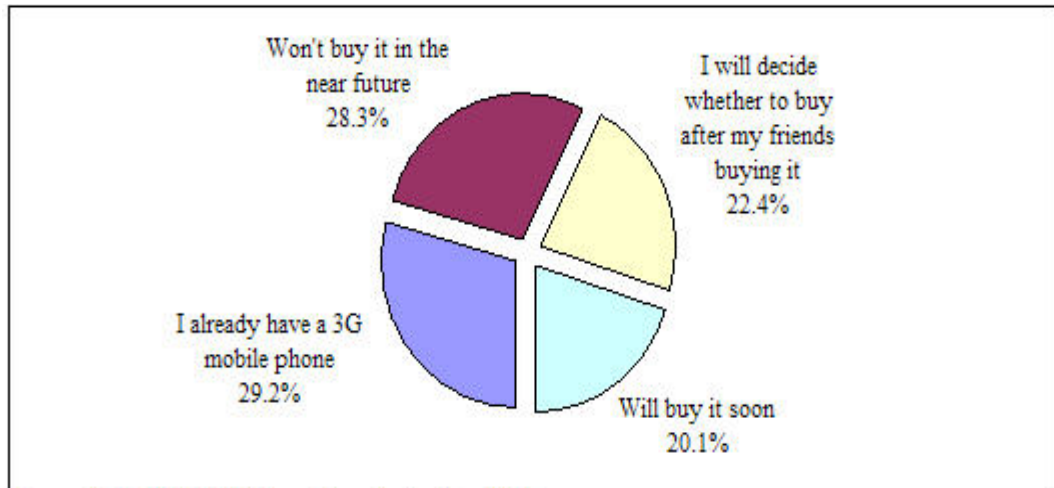
While the majority of the sample groups surveyed online demonstrate a high degree of acceptance of 3G products, users in the real market have a more pronounced wait-and-see attitude to 3G. Cost has become the biggest obstacle for users of 3G services. To over-

Fig. 4 - Users' Choices for 3G Mobile Phone Services



Source: Sohu IT & CCID Consulting, September 2009

Fig. 5 - When Do Consumers Plan to Buy A 3G Mobile Phone?



Source: Sohu IT & CCID Consulting, September 2009

come this, carriers and mobile phone manufacturers should not only jointly develop and market 3G mobile phones with a high price/performance ratio, but they also need to use the free sharing model for Internet basic services in order to improve services and ensure customer appreciation. They could also provide optional personalized value-added services to raise their profit level.

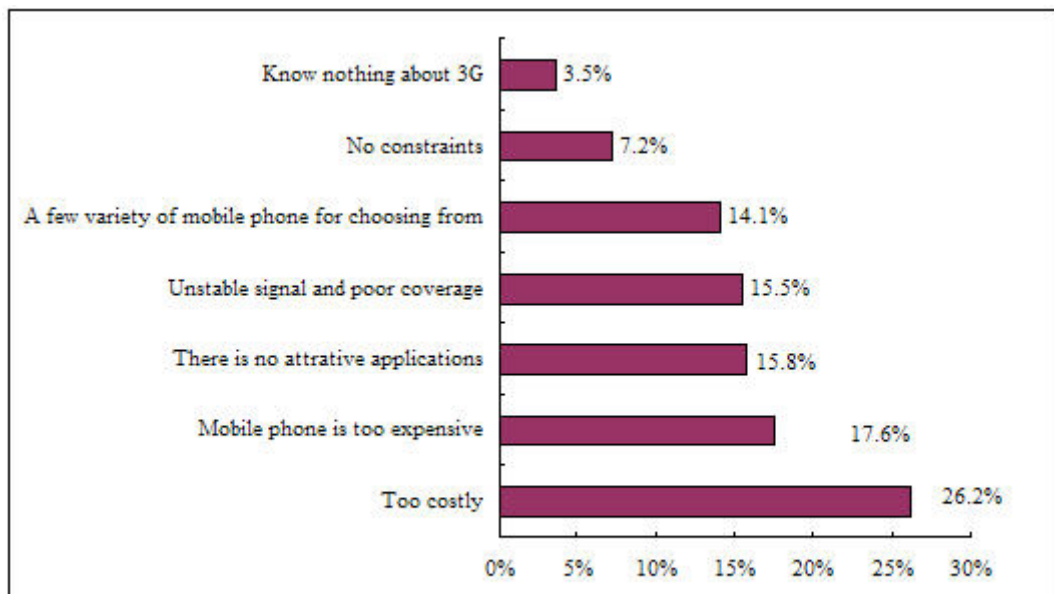
Carriers' business halls are still the main channel for the purchase of 3G products while channel diversification is slow-

ly gaining ground.

The survey reveals that as regards 3G sales channels, 52.3% of the surveyed consumers chose carriers' business halls, 16.7% Gome, Suning, Carrefour and other malls, 14.6% online stores and 13.6% computer malls.

The survey shows that carriers' business halls have become the top-choice channel for the purchase of 3G phones. There is a close relationship between 3G terminals and services. Carriers mainly adopt the model of bundle sales of terminals and services packages. This will greatly increase the share of carriers' channels in terminals sales.

Fig. 6 - Main Reasons For Not Using A 3G Mobile Phone Immediately

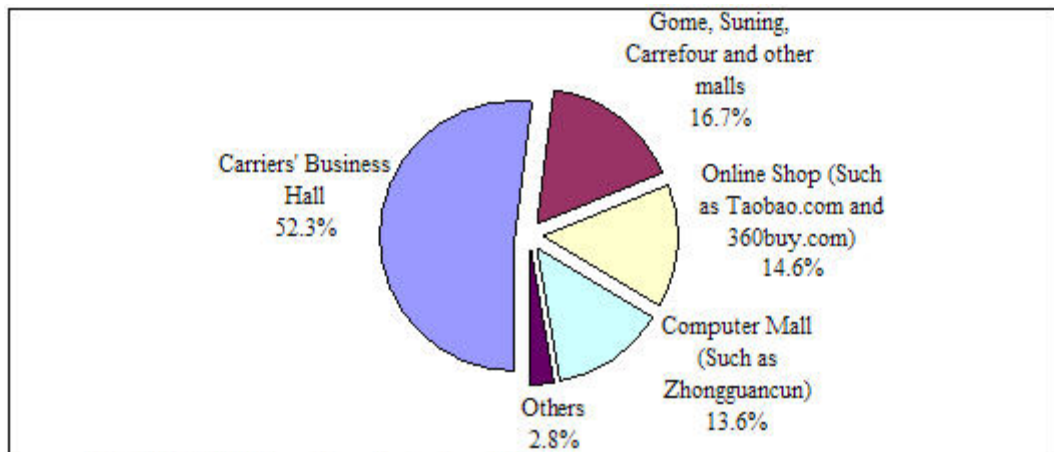


Source: Sohu IT & CCID Consulting, September 2009

However, due to the low coverage of business halls and consumers' shopping inertia in buying mobile phones from social channels, carriers need to step up their efforts to sell 3G terminals through social channels while improving their own channel building. Carriers are now reinforcing their cooperation with mobile phone malls and other social sales channels and have expanded their cooperative services from mobile phone sales to serial terminal services, including net-

work entry, number supplement, fee payment and value-added services. However, consumers' current cognition and selection of 3G product sales channels show that the carriers' channel diversification and publicity efforts have not been a great success. They have to provide more convenient channel support for the large-scale marketing of 3G terminals.

Fig. 7 - Prior Channels Which Consumers Choose to Buy 3G Products



Source: Sohu IT & CCID Consulting, September 2009

Chinese publishers set copyright trade record at Frankfurt Book Fair

Chinese publishers made an unprecedented number of copyright deals at the Frankfurt Book Fair, sealing contracts for 2,192 copyright items so far, according to a Chinese official. This was a real record for China at the annual Frankfurt fair, the world's biggest book gala.

Of the total contracts, Chinese publishers have imported 1,310 copyright items and exported 882 titles to foreign counterparts, said Zhang Fuhai, a senior official from the Chinese delegation, at a press conference.

China is the Guest of Honor at this year's book fair in which 223 publishing houses from the Chinese mainland took part. Zhang attributed the sharp rise in the copyright trade to China's role as the Guest of Honor as well as to China's growing influence throughout the world. Since 2003 the Chinese government has adopted a "going-out" strategy which encourages Chinese publishers to export more book copyrights abroad in a bid to promote Chinese culture.

The works to be exported include ancient books on Chinese culture and history, the nation's Scientific and Technological Development Roadmap, and the novel King Gesar, penned by popular Tibetan author Alai.

China's publishing industry has flourished since it introduced the opening-up policy. The number of titles published annually in China rose from around 10,000 in the early 1980s to 275,000 last year, with total copies increasing from 3.7 billion to almost 7 billion, according to the General Administration of Press and Publication (GAPP), the print and publishing industries authority. But it is only

in recent years that China began trading copyright internationally, following the nation's accession to the Berne Convention for the Protection of Literary and Artistic Works and to the Universal Copyright Convention in 1992.

Wang Ziqiang, director-general of the administration's copyright department, said the ratio between China's imported and exported book copyrights was around 6.5 to 1 last year, up from 15 to 1 in 2002. He blamed the lack of good translations and the failure in selecting topics that suit international markets. "We need to have more international scope and select books from the perspective of foreign readers," added Huang Youyi, editor-in-chief of the state-run China International Publishing Group, the sole agent to deal with the import and distribution of foreign publishing products in China. "To do that, our group is now cooperating with foreign publishers to plan new projects." This year's Frankfurt Book Fair also provided fresh ideas, he said, explaining: "In the past we mainly exported books about traditional Chinese culture, but Western readers are more interested in contemporary China." He said that to meet this demand his group will produce more books on China's economic development, government policies and language.

Foreign publishing groups are encouraged to invest in the Chinese publication industry, said China's General Administration of Press and Publication (GAPP) minister, Liu Binjie, at the Frankfurt book fair. At the end of 2008 the Chinese government approved over 2,500 joint ventures and foreign-invested companies in the country's print industry.

China has also started experiments to cooperate with foreign

companies on book publishing, and on newspaper and magazine production, partly because domestic publishers are being corporatized and need more capital and business expertise.

Sources: China Daily, Xinhua, People's Daily, October 15-19, 2009.

Around 80% of Mainland Publishers Complete Re-forms

Around 80% of all mainland publishing groups have completed the shift from government-funded organizations to self-supporting organizations, according to the General Administration of Press and Publication (GAPP) Minister Liu Binjie. Under the timetable unveiled by GAPP last year, all mainland publishers are expected to complete the shift by the end of 2010. Liu Binjie added that around 31 mainland publishing groups have launched IPOs, raising more than RMB200 billion (€20.65 billion) by the end of 2009.

Source: GAPP - January 7, 2010

Global adspend down 7% in the first quarter of 2009: but China's grows.

According to a global advertising trends report by research company Nielsen, global advertising expenditure in television, newspapers, magazines and radio registered a drop of 7.2% in the first quarter of 2009 compared to the first quarter of 2008.

The report, Global AdView Pulse, reveals that the global economic crisis is taking its toll on the ad sector, with European countries being the hardest hit, especially Spain (-28.2%), Ireland (-21.2%), Italy (-19.1%) and the UK (-14.7%). In North America, the US was down 12.7%. The decline in global ad spend was stemmed a little, however, by the Asia Pacific region which posted only a 2.3% reduction compared to the first of quarter 2008. In Asia-Pacific, China maintained growth but to a much

lesser degree (+2.5%): even China, which usually sees a boost in ad spend during the Chinese New Year, posted a subdued growth for the quarter of just 2.5% compared to the 17.1% growth in the fourth quarter of 2008.

Source: Nielsen, September 2009.

Box office takings in China hit a new record

Box office takings in China may hit a new high of RMB 6 billion (€586.808 million) this year, up 40 percent year-on-year. Takings reached a record RMB 4.3 billion (€420.54 million) in 2008 but the film industry is expected to rake in more this year, topping RMB6 billion (€586.808 million), said Zhang Hongsen, deputy director of the film bureau under the State Administration of Radio, Film and Television (SARFT).

Zhang said China's film industry has witnessed rapid development in recent years and some 450 domestically-made movies are expected to be produced this year.

China produced 400 home-made movies in 2008, making China the third largest movie producer and the world's tenth most important movie market.

Source: People's Daily Online - October 30, 2009.

China 2009 Box Office Tops RMB6 billion

China's box office topped RMB6.21 billion (€641.300 million) by the end of 2009, according to a January 8 press conference hosted by the State Administration of Radio, Film and Television's (SARFT) Film Bureau. Domestic films accounted for just over half (or 56.6%) of the total box office. Local film producers created 456 feature films in 2009, around 50 more titles than in 2008. Cinema construction has also been on the rise with 626 new screens installed across China last year, bringing the national total up to 4,723 screens.

Source: SARFT - January 9, 2010

Animation production in 2008

In 2008 Chinese animation production accounted for 249 complete television animation serials for 131,042 minutes, a growth of 33.87% and 28.96% over 2007 respectively, while movie animation serials account for 16. Table 1 shows the top 10 provinces by number of titles produced and length:

Tab. 1 – Top 10 provinces (including municipalities) in 2008 by animation output

Province	N. of titles	Length (min)
Hunan	40	26,483
Jiangsu	49	22,192
Zhejiang	28	18,411
Guangdong	24	11,939
CCTV and affiliated organizations	17	9,412
Beijing	12	7,380
Shanghai	21	6,576
Shaanxi	3	4,564
Fujian	12	3,741
Chongqing	6	3,510

With the support (policy and economic) of the State of Council and local governments, the production of animation serials at city level also grew steadily. The top 10 cities by animation production are listed in Table 2:

Tab. 2 - Top 10 cities for original animation production in 2008

City	N. of titles	Length (min)
Changsha	40	26,483
Hangzhou	27	17,411
Guangzhou	20	11,015
Wuxian	15	8,108
Beijing	12	7,380
Shanghai	21	6,576
Nanjing	17	6,297
Changzhou	13	6,243
Xian	3	4,564
Chongqing	6	3,510

Of the total output, 184 serials are from the animation production bases, mainly located in the east-

ern and southern regions of the country, and account for a share of 73.9% of the entire market, up 39.39% from the previous year. These serials amount to 102,047 minutes, a 77.87% share of the market and a 27.29% increase over 2007. Table 3 shows the top 10 animation production bases in 2008:

Tab. 3 – Top 10 national animation production bases in 2008

Animation production bases	N. of titles	Length (min)
Animation Industry Park at Hangzhou High Technology Industrial Development Zone (Hangzhou gao xin jishu kaifaqu donghua chanye yuan)	24	16,886
Hunan Golden Eagle Cartoon Base (Hunan jingying catong jidi)	22	16,129
Southern Animation Programs Coproduction Center (Nanfang donghua jiemu lianhe zhizuo zhongxin)	20	11,015
Sunchime Cartoon Group (San chen Catong jituan)	15	9,910
China International Television Corporation (CITVC, Zhongguo dianshitai Zhongguo guoji dianshizong gongsi) affiliated to CCTV	17	9,412
Wuxi Taihu Digital Film and TV Animation Park (Wuxi taihu shuma donghua yingshi chuanye yuan)	15	8,108
Beijing Cultural and Creative Industry Cluster Zone (Beijing shi wenhua chuanyi chanye jijuqu)	10	6,775
Changzhou National Animation Industry Production Base (Changzhou guojia donghua chanye jidi)	13	6,243
Nanjing Software Park (Nanjing ruanjian yuan) at Nanjing High Tech Zone	9	4,009
Xiamen Software Park Film and TV Animation Production Zone (Xiamen ruanjian yuan yingshi donghua chanye qu)	10	3,361

Table 4 shows the top 7 Chinese

organizations that distinguished themselves for the production of original animation serials:

Tab. 4 – Top 7 organizations for original animation production in 2008

Organization	N. of titles	Length (min)
GreatDreams Cartoon Group Co. Ltd. (Hunan Hongmeng catong chuanbo youxian gongsi)	10	12,184
Sunchime Cartoon Group Co. Ltd. (Sunchime catong jituan youxian gongsi)	15	9,910
Hangzhou Magic Man Animation Production Co. Ltd. (Hangzhou man qimiao dongman zhizuo youxian gongsi)	9	7,242
CCTV Animation (Yangshi donghua youxian gongsi)	15	6,240
Beijing Cosmome-dia (Beijing tiandi renchuanmei youxian gongsi)	7	4,975
Zhejiang Zhongnan Group Film and TV Cartoon Co. Ltd. (Zhejiang Zhongnan jituan catong yingshi youxian gongsi)	4	4,160
Hunan Golden Eagle Cartoon Co. Ltd. (Hunan jingying catong youxian gongsi)	12	3,945

Sources: SARFT – February 2008; 2009 Blue Book of China's Radio, Film and Television.

Animation broadcasting in 2008

By the end of 2008 China had 34 youth dedicated TV channels and 4 animation channels, each broadcasting domestic animation serials for an average of 648 minutes a day. According to the '2009 Blue Book on China's Radio, Film and Television', the total time of domestic animation serials broadcasted every day by CCTV's 7 channels and the 4 animation dedicated channels is 686 minutes and 2,600 minutes respectively. Considering that there are more than 300 broadcasters in China that dedicate fixed programming schedules to home-made anima-

tion serials, the total broadcasting time is over 40,000 minutes per day, three times more than four years earlier.

At the same time, animation has represented a profitable source of revenue for animation and youth channels: in 2008 the CCTV youth channel's advertising revenues amounted to more than RMB200 million (€19.56 million), Beijing Kaku Animation Satellite TV's revenues accounted for RMB120 million (€11.74 million), Shanghai Toonmax Channel for RMB90 million (€8.80 million) and Hunan Golden Eagle Animation Channel for RMB70 million (€6.84 million). Animation production organizations registered high income from the industry as well: for example, the income of CCTV Animation, the animation production organization affiliated to CCTV, accounted for RMB130 million (€12.71 million) in the same period.

New rules have been issued by SARFT with a view to further fostering the development of the domestic animation industry. The "Notice on strengthening the administration of broadcasting of TV animation serials" (*guanyu jiaqiang dianshi donghuapian bochu guanli de tongzhi*) dated 19 February 2008 sets forth that the proportion of broadcasting time between domestic and foreign animation serials should not be less than 7:3. In addition, from May 1, 2008, the prime time dedicated to animation products has been extended from 17.00-20.00 to 17.00-21.00.

Sources: SARFT – February 2008; 2009 Blue Book of China's Radio, Film and Television.

100 Animation Groups Get Tax Breaks

One hundred mainland animation production groups will receive tax reductions of up to 100% across a number of tax categories, including value added tax, corporate income tax and import tariffs. The Ministry of Culture, Ministry of

Finance and State Taxation Administration are granting the breaks in a bid to promote China's animation industry. To qualify for the reductions, the animation groups need to generate at least 50% of their total revenues from original in-house animation. CCTV Animation, Beijing Glorious Animation and Tianjin Shenjie Animation have qualified for the tax breaks.

Source: China Youth Daily (Zhong Qingnianbao) - January 15, 2010

Minister: China's Internet users reach 338 million

The China Internet Conference 2009, held on November 2-3 2009, was guided by the Ministry of Industry and Information Technology (MIIT), hosted by the Internet Society of China, and sponsored by the Organizing Committee of the China Internet Conference. The theme of the conference was 'from crisis to opportunity - the strength and confidence of Internet in China in the financial crisis'.

Li Yizhong, minister of China's Ministry of Industry and Information Technology (MIIT), pointed out that the Internet, in the process of developing applications, showed the following trends and characteristics: first, the number of Internet users continued to increase. China's Internet users now number 338 million and mobile phone Internet users 155 million; second, the Internet continued to penetrate other fields, generating new industry and new economic growth; third, e-commerce continued to develop rapidly, the penetration rate continued to rise and the number of services increased; fourth, mobile Internet developed rapidly, promoting a new economic model and growth.

Source: People's Daily Online - November 2, 2009.

SMG, Zhejiang Broadcasting Plan Internet TV Services

Two more provincial broadcasters - Zhejiang Broadcasting

Group and Shanghai Media Group (SMG) - have announced plans to enter the Internet TV arena. Zhejiang Broadcasting Group launched a new Internet TV site called Blue Web on December 28, creating a new platform for showcasing content from Zhejiang's 18 TV channels. SMG spokesperson Chen Sijie told his organization plans to launch a new Internet TV service focusing on news content before July 2010.

Source: Oriental Morning Post (Dongfang zaocheng bao) - January 7, 2010.

Baidu Sets Up Online Video Subsidiary

Leading mainland search engine Baidu has revealed plans to set up an independent online video subsidiary with an initial investment of RMB409.62 million (€42.31 million). The new company will cooperate with content providers to provide users with copyrighted, high-definition video content such as film, TV series and animation.

Baidu is currently the first search engine in China with a 58.4% of market share. The move to set up an independent online video subsidiary is strategic for the expansion of the Chinese search engine into one of the fastest growing markets in China: according to CNNIC, the online video market grows by 10.1% in only six months, from 20,200 users in December 2008 to 22,240 users in June 2009.

Sources: Beijing News (Beijing xinwen), tech.sina.com.cn - January 9, 2010; CNNIC.

Web video piracy war heats up

Competition in China's video sharing market has intensified recently with a Chinese YouTube copycat being sued for piracy by a group of online video copyright owners. On September 15, the Chinese news portal website Sohu.com filed a lawsuit against one of the country's largest video-sharing

websites, Youku.com, for broadcasting unauthorized videos of 503 Chinese movies and TV dramas.

The company, together with video websites Joy.cn and Voole.com, formed the China Online Video Anti-Piracy Alliance, an anti-piracy group that has pledged to file a series of lawsuits in the coming months against companies including Tudou.com and Xunlei, which were also accused of streaming unauthorized videos of around 1,000 films and episodes of television programs on their websites.

Unlike their foreign counterparts, Chinese video-sharing websites rely heavily on videos such as films and soap operas, partly because relatively few Chinese users record and post their own video clips on the Internet. This has made Chinese websites more prone to copyright disputes and placed them in direct competition with legal video streaming websites. Youku.com, whose founder Victor Koo was the president of Sohu.com in 2004, said that the company respects legal contents and hopes to cooperate with copyright owners. The company has formed partnerships with many local television stations in China and spends around \$10 million (€6.67 million) every year on purchasing copyright of popular movies and television dramas.

According to figures from domestic research firm Analysys International, market revenue of China's online video industry reached RMB122 million (€11.9 million) in the second quarter of this year, up 57.2% from last year. Due to China's rampant piracy, copyright owners in the country gain most of their income from movie theaters and domestic television stations and very little from DVD sales. That has led them to work actively with Internet companies to promote their business online. Google China, for example, has launched a legal music service in China by partnering with major label com-

panies such as Universal and EMI. The service, which is the first in the world, is free and funded by online advertisements. Encouraged by the success of companies such as Youku.com and Tudou.com, Sohu.com has significantly increased its investment in the online video business in recent years.

Last year the company signed a contract with CCTV to obtain official rights to broadcast the Olympic Games. This month Sohu.com launched an online video channel that streams authorized documentaries via the Internet. Experts say that, as Chinese news portal websites expand in the video-sharing market, competition over video content will become even fiercer.

Unlike previous lawsuits, the one filed by the China Online Video Anti-Piracy Alliance also targets advertisers. The group accused Coca-Cola's Chinese subsidiary of airing advertisements for its Minute Maid brand during broadcasts of the domestic TV series Wang Gui Yu An Na on Youku.com. The lawsuit claims RMB 686,386 (€67,000) in compensation from Coca Cola and Youku.com. According to experts it is unusual for copyright owners to launch lawsuits against advertisers who post advertisements on websites with unauthorized video content. The action, even if lacking solid legal grounds, might scare some advertisers away from websites such as Youku.com and Tudou.com. As part of its effort to reduce its reliance on online revenues, Youku.com will launch a new service that offers live-streaming shows. The first will be Stream with Deyunshe, hosted by a popular Chinese talk show group in China. Online viewers will be charged RMB10 (€0.9) to view each show. Analysys International said the new service is expected to enjoy a huge market in China, since "most of the online users in China are willing to pay for exclusive video contents."

Source: China Daily - September 28, 2009.

EVENTS, CONFERENCES and BOOKS ABOUT CHINA

China Media Observatory, Lugano.

■ The 8th Chinese Internet Research Conference “Internet and Modernity with Chinese Characteristics: Institutions, Cultures and Social Formations”

School of Journalism and Communication, Peking University, Beijing, China, June 29-30, 2010.

By June 30 2009 the number of netizens in China had reached 338 million, more than the total population of the United States. Already the country with the largest number of Internet users, China now boasts 2.1 million websites and more than 100 million blogs. The rapidly changing landscape of Internet usage in China has seen both quantitative and qualitative developments. In fact, the vision and thrill of getting online parallel China’s ambition to build a modern society with Chinese characteristics. Internet has penetrated social institutions, political processes, cultural activities and people’s everyday life. This conference aims to explore the following questions: How do global influences and local initiatives meet, interact and converge through and around the Internet? Is Internet the agent of globalization and homogeneity or that of local independence and particularity? With increasing capitalization and commercialization of the Internet in China, what is the dynamic relationship between state, market and civil society? What creative uses of the Internet are made by Chinese netizens? Does the Internet serve as an alternative media that meets new challenges of a society in transformation? What different relationships exist between the Internet and the so-called traditional media? The forms and contradictions in which China tries to conceptualize and materialize modernity, and how the Internet is contributing to this process are the main focus of this conference. Specific topics include but are not limited to: Mediation between global and local, The political economy of the Internet and the information industry in China, Internet as an alternative media, Social relations on the Internet.

New & Notable Books

Hong, Cheng and Kara Chan (eds.). (2009), ***Advertising and Chinese Society. Impacts and Issues***, Copenhagen: Copenhagen Business School Press, 2009.

China has, undoubtedly, become one of the largest advertising markets in the world but foreign companies have to create ads able to reflect Chinese national and local cultural values. This book examines the possible social, psychological, legal and ethical impacts, perceived or proven, of advertising in the booming Chinese market, showing the two-way relationship between advertising and the Chinese society. In particular, the authors focus on the growing consumerism, consumers’ attitudes and reactions to advertising, cultural messages conveyed in advertisements, gender representations, and new media advertising and its social impact.

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