

**Murdoch movie plea**

China should allow more foreign films to blend with home market and foil piracy, says News Corp's Rupert Murdoch. **Page 22**

# Murdoch makes movies plea to China

**MEDIA**

By Andrew Edgecliffe-Johnson in New York

Rupert Murdoch has warned China that it will encourage piracy and limit opportunities for its own booming movie market if it does not open up to foreign films, in the latest sign of western media owners' frustrations with Chinese restrictions.

The chairman of News Corp, which owns Twentieth Century Fox, used a speech at the Shanghai International Film Festival to praise China's optimism, global aspirations and creativity, saying there was "no more exciting market in the world".

But he mixed his praise with a warning that the quota that allows just 20 foreign films to be imported to China a year and puts limits on foreign groups' investment in marketing and distribution ventures there meant that China's promise as a film market was not being fully realised.

"This presents significant challenges for US studios like ours. More important, it creates incentives for people to steal what they do not have access to. In the long run, that will only limit the opportunity for China to grow its booming market," he said.

Mr Murdoch has spent 30 years trying to expand in China. In 1993, he earned the ire of China's political

establishment by stating that satellite television posed an "unambiguous threat to totalitarian regimes everywhere", and in 2005 he admitted that News Corp had "hit a brick wall" in China, where authorities were "quite paranoid" about foreign media.

His latest comments gave voice to widespread concern in Hollywood that restrictions on legitimate imports of western films have encouraged piracy and hit prospects for home entertainment revenues from DVD and video-on-demand sales.

China is now the fastest growing film market in the world, Mr Murdoch noted, with box office takings expanding from \$150m in 2005 to \$1.5bn in 2010.

Some Fox films, including *Rio* and *The Chronicles of Narnia*, have secured distribution, and China's heavy investment in 3D screens made it the second-largest 3D market after the US for *Avatar*, Fox's 2009 blockbuster with takings of \$200m.

Calling for "an open market in films and ideas", Mr Murdoch said "strong and enforceable intellectual property rights" were equally important to western and local producers.

Fox has struck co-production deals with partners including Huayi Brothers, China's leading non-state film group, for local films such as *Hot Summer Days* and *Love in Space*.

