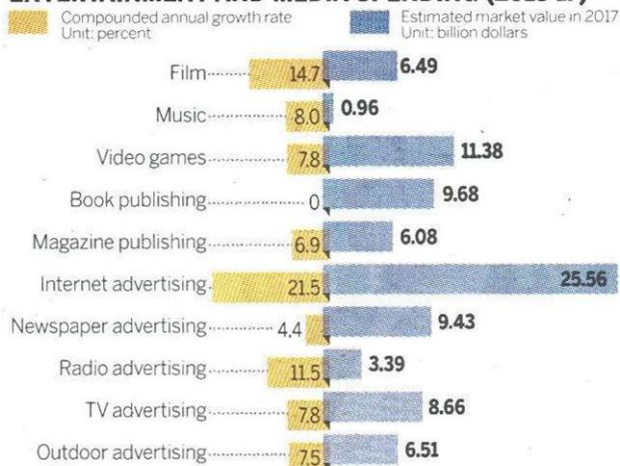


## ENTERTAINMENT AND MEDIA SPENDING (2013-17)



Source: PricewaterhouseCoopers

LI YI / CHINA DAILY

# Big screen drives spending on film

By WEI TIAN

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Chinese passion for films continues to drive the country's overall growth in entertainment and media spending, PricewaterhouseCoopers says.

This will lead to overall spending in the sector growing by 8 percent annually in the next five years, with spending in the film industry growing 15 percent, the professional service company says in its Global Entertainment and Media Outlook 2013-17.

Fast-expanding spending on entertainment and media will make the country the third largest in the sector by 2017, up from fifth place in 2012, surpassing Britain next year and

Germany in 2016, according to the report.

China overtook Japan to become the world's second-biggest theatrical market in 2012, seeing \$2.66 billion in box-office revenue.

An ambitious cinema building program is driving the box-office boom — each day nine new screens open on the Chinese mainland. The number of screens on the mainland has increased 10-fold in the past 10 years, from fewer than 1,300 in 2002 to more than 13,100 at the end of 2012.

"Although 25,000 new screens are planned over the next five years, the opportunity for further growth is still considerable," says Jane Kong, PwC China entertainment and media practice partner.

The report also forecasts strong growth elsewhere in the entertainment and media industry, such as in music, video games and advertising.

The music market, worth \$653 million in 2012, is forecast to grow 8 percent a year to reach \$960 million in 2017.

"The sleeping giant of China's recorded-music market has been stirring for some time," Kong says. "Many leading music industry executives are now cautiously optimistic that the giant is awake and ready for action."

Revenue in the video games market is predicted to grow 7.8 percent annually, reaching \$11.38 billion in 2017.

The authorities have said they are considering lifting the ban on video-game console sales on the mainland. Kong says this will play an important role in giving consumers more choice.

Advertising spending on the mainland is projected to grow 12.4 percent overall up to 2017, led by Internet advertising with a growth of 21.5 percent.

The report says that while spending on non-digital media will continue to dominate in the next five years, growth will also come from spending related to media delivered digitally.

Marcel Fenez, global leader of PwC's entertainment and media section, says: "The growing affluence of a rapidly emerging middle-class consumer with a propensity to spend on entertainment and media experiences, combined with improving infrastructure, is bolstering overall growth rates in a number of key areas."