



Australian Government

SCREEN  
AUSTRALIA

## China report: The first Australia–China Film Industry Forum (ACFIF), December 2010

Report by Chris Oliver

The **Australia–China Film Industry Forum** in Beijing was the major film-related event and a highlight of *Imagine Australia*, the Year of Australian Culture in China, an initiative of the Australian Embassy in Beijing. The Beijing Embassy had set aside funds for the event out of its budget for the Year, which were supplemented by Chinese corporate sponsorship. Ambassador Dr Geoff Raby supported by Jill Collins – Counsellor Public Affairs and Culture – and a highly committed staff provided support and a venue (The Westin Hotel) that was ideal. The Embassy worked closely in partnership with Beijing Film Academy, SPAA, Screen Australia, the China State Administration of Radio, Film and Television (SARFT), the China Film Co Production Corporation (CFCC) and the China Film Producers Association in setting up the event. Advice was also sought from Producer Mario Andreacchio who had recently completed *The Dragon Pearl* – the first official treaty co-production with China.

Feedback from Australian producer attendees (including SPAA CEO Geoff Brown) indicated the Forum was a hit in terms of production outcomes, meetings and the high level of engagement – particularly at a political and industry level – with the attendance of the Chinese SARFT Vice Minister, the Australian Ambassador, key Chinese producers and Studios as well as new players.

The Forum kicked off with a formal gala dinner for 100 forum delegates and guests – with the ‘surprise’ attendance of *Imagine Australia* patron and cultural ambassador Jackie Chan, who made an inspiring speech – about his love for Australia and the need for cultural exchanges and his hope for increased film co production between the two countries that he holds dear to his heart. One can only hope that Jackie and a leading Australian producer or director talk soon!

The following morning it was down to business with the commencement of ACFIF with introductory speeches from Vice Minister Zhang Pimin and Australian Ambassador Dr Geoff Raby. The Vice Minister is no stranger to Australia having met with representatives of Screen Australia’s Board and management and Industry representatives in Sydney. The introductory speeches were followed by speeches from representatives of the Australian and Chinese Producers Associations – Geoff Brown and Han Sanping. This

was followed by screen presentations informing attendees of the various incentives available (eg Australian Producer, Location offset and PDV Offsets) in each country. Details of those presenting and the program and attendees from China and Australia are attached. Prior to the Forum excellent briefings were provided by Jill Collins, Embassy Staff and Allan Morrell the Senior Trade Commissioner who is based in Beijing (see attached briefing paper - including a paper from CFCC titled National Supportive Policies for International Co-production). As an aside an invaluable booklet – created by the Screen Australia Marketing – is available on the [Screen Australia website](#) in both English and Chinese that provides details of the Australian offset incentives.

The screen presentations of the Australian delegates - Mario Andreacchio (AMPCO), Alaric McAusland (Ausfilm) and Chris Oliver (Screen Australia) were in Chinese (as well as simultaneously translated into Mandarin) and this was greatly appreciated by the Chinese industry. Mario's screen presentation was particularly useful to the audience as he went through in detail the treaty and offset certification process in both countries, the production financing plan and production of *The Dragon Pearl* – the first official treaty co-production between Australia and China. During the afternoon of the first day practical workshops sessions were held and the Friday was set aside for meetings between the Australian and Chinese producers including studios. Details of some of the studios are at Appendix 1, attachment D.

Undoubtedly the presence of Jackie Chan set the tone for the event and all present were keen to engage. The studios and distributors from the region were there - including China Film Group, Hengdian, August and Fujian. The larger studios such as China Film Group do release a wide range of films across all genres including high end Hollywood imports – which are delivering substantial box office. **A more detailed earlier report on China (*Shanghai International Film Festival and Market, and meetings in Shanghai and Beijing, August 2010*) is available on the [Screen Australia website](#).**

The large delegation of 35 Australians in attendance was subsidised by the Embassy and DFAT and had a mix of experience and included a number of Australians who live and work in China. The list of attendees from Australia and China is at Appendix 1, attachments B and C – it was interesting to observe that there were a number of newer players present from both countries.

Australian producers were achieving results: Mario Andreacchio from AMPCO inked his next two projects with Hengdian; Ron Saunders appeared quietly confident of mounting projects; and David Parker and Nadia Tass seemed close to finalising an arrangement for their next film. Meetings and informal discussions were held with CFCC and their Vice Presidents Miao Xiaotian and Susan Xu. Initial indications from Chinese officials and studios present was that the event was a success. In addition meetings were also held with some of the Australian documentary and Chinese producers present including broadcaster CCTV. As a direct result of the Forum, Jill Collins from the Embassy was invited to give a keynote speech at the launch of CCTV's new documentary channel alongside CCTV's Vice President, providing opportunity to promote Australian documentary film. The opening of the CCTV documentary channel will present opportunities for Australian producers in the future as they are keen to commission and work internationally.

The Forum was followed by the second **iDOCS Beijing International Documentary Forum** hosted by the Beijing Film Academy with support from a number of countries including the Australian Embassy and DFAT. The Australian Embassy headlined the introductory speeches by foreign embassies at the launch of the Forum. Four Australian documentaries were screening - *A Good Man*, *The Burning Season*, *The Man Who Stole My Mother's Face* and *Presumed Guilty*. Australia was represented by Cathy Henkel (Geoffery Smith was also slated to attend but was prevented from doing so by illness).

This is an important new event on the Chinese documentary calendar and presents an opening to build on documentary cultural exchanges and production opportunities between China and Australia. At the documentary Forum Cathy Henkel was approached to co-produce documentary productions. The large audiences applauded the foreign films screened and workshops held by visiting producers from Australia, France, Canada and USA were well attended. Feedback from visiting Producers and Chinese attendees was very positive.

The Film Industry Forum and iDOCS Forum generated an immediate rise in interest and awareness of Australian films in China. Screenings of *The Burning Season*, which was featured in the iDOCS festival, and three other Indigenous films from the Indigenous Message Sticks Festival - *Daniel's 21*, *Barnngnrrn Marrangu Story* and *Nundhirribala's Dream* - were selected to be a part of an affiliated cultural program at one of *Imagine Australia's* visual arts exhibition at 798 Art District in late January, alongside the work of internationally acclaimed Australian-Chinese artist Guan Wei.

With a clear understanding of how the treaty works, contacts made with key players, and the first treaty co-production, *The Dragon Pearl*, completed and set for an early March China release, the door is open for future co-productions. The launch of *The Dragon Pearl* will be attended by Ambassador Dr Raby and other high profile Chinese film industry figures.

Follow up opportunities to meet Chinese producers, directors and actors at such events as the Chinese Film Festival in Sydney and Melbourne in February are also adding to the mix. Hopefully the forthcoming Shanghai Film Festival in June, the inaugural Beijing International Film Festival, which will likely feature a total of five Australian newly released features, documentaries and short films, as well as possibly an Asia-Pacific Screen Awards feature presentation, and the Sichuan TV Festival in Chengdu later this year will also provide an opportunity for further engagement. Added to the 2011 mix are other key events in Korea (Input and Pusan) and Singapore - the inaugural Screen Singapore Market in June. It all looks set for a busy year.

**Chris Oliver**  
**February 2011**

**APPENDIX 1. FORUM INFORMATION**

**Year of Australian Culture in China**  
**澳大利亚文化年**  
[www.imagineaustralia.net](http://www.imagineaustralia.net)

**The First Australia-China Film Industry Forum**  
**8-11 December 2010, Beijing**

The Australia-China Film Industry Forum in Beijing aims to facilitate communication and knowledge exchange between Australian and Chinese film industry professionals. An initiative of the Australian Embassy in Beijing, the Forum will be part of *Imagine Australia*, the Year of Australian Culture in China. The Embassy is working in partnership with Beijing Film Academy, Screen Australia, the China State Administration of Radio, Film and Television, the China Film Producers Association and other partners to deliver a relevant, pro-active and outcomes-oriented industry forum focussed on matching Australian and Chinese partners on film projects.

The Forum aims to capitalise on an increased awareness of the Australian film industry in China and the Chinese film industry in Australia, by bringing together key industry players from both countries, with the following objectives:

- Stimulate formally-accredited co-production activity following the coming into force in December 2008 of the bilateral Film Co-Production Treaty;
- Boost commercial prospects for the Australian film industry through joint industry collaboration;
- Expand cultural cooperation and understanding through the medium of film;
- Promote two-way capacity-building and training opportunities between Australia and China in the film industry.

The film industry is expanding rapidly in China. Film production is now attracting heavy Government investment, and office-box takings are increasing dramatically year-on-year, creating demand for resources and expertise. The Forum will endeavour to create lasting links between industry professionals from both countries, whilst also providing a platform to promote the Australian film industry as cutting-edge, modern and diverse, highlighting key strengths including feature film production and financing, documentary, digital animation and design, cinematography and post-production.

The Forum will also provide Australians with the chance to learn from Chinese counterparts about local industry resources, development and emerging opportunities, providing a platform for effectively engagement with Chinese film industry representatives in a sustained and meaningful way. The ultimate goal is to provide a platform from which to help build lasting creative, industry and production links between the two countries which will develop long into the future.



**Australian Government**

**Department of Foreign Affairs and Trade**

**ATTACHMENT A**

**Australia-China Film Industry Forum Beijing, China 2010**

***Summary Program***

**Wednesday 8<sup>th</sup> December**

1pm *Beijing Film Academy filmmaker's roundtable*  
(Afternoon session at Beijing Film Academy with **selected** filmmakers)  
Location: Beijing Film Academy

5.00pm *Australian Delegation Briefing with Ms Jill Collins, Public Affairs & Cultural Counsellor & Austrade Senior Trade Commissioner, Alan Morrell from Australian Embassy*  
Location: Westin Chaoyang

6.30pm *Gala Dinner Reception Australia-China Film Forum*, hosted by Australian Ambassador to China, Dr Geoff Raby  
Location: Westin Chaoyang

**Thursday 9<sup>th</sup> December**

9.30am- 12.30 noon *Australia-China Film Industry Forum General Conference Session (see next page for details)*  
Location: Westin Chaoyang

1.30pm – 5pm *Co-Production Forum (hosted by the China Film Co-Production Corporation)*  
Location: Westin Chaoyang

**Friday 10<sup>th</sup> December**

9am – 12.30 *Industry Market Place: Business/Project Matching Sessions*  
Location: The Westin Chaoyang

1.30pm – 4.00pm *Industry Market Place: Business/Project Matching Sessions*  
Location: Westin Chaoyang

4.20pm – 5.00pm *Legal Aspects of Co-Production*

6pm *Australian Chamber of Commerce evening drinks*  
Location: China World Hotel [Optional]

**Saturday 11<sup>th</sup> December [Optional]**

9am Tour of China Film Bureau's Huairou Digital Studio (suburban Beijing) half-day trip with lunch

## ATTACHMENT B – Chinese Delegation Guest List

**Australia-China Film Industry Forum - CHINESE Guest List**

	<b>Name</b>	<b>Company</b>
	<b><i>Official Speakers</i></b>	
1	Zhang Pimin	Deputy Director-General SARFT
2	Zhang Hongsen	China Film Bureau
3	Han Sanping	Vice Managing Director of China Film Producers' Association; Chairman of China Film Group
4	Zhang Xun	President of China Film Co-production Corporation
5	Miao Xiaotian	Vice-President of China Film Co-production Corporation
	<b><i>Forum Delegates</i></b>	
6	Kang Jian	SARFT Personnel
7	Jiang Xiaoling	SARFT Personnel
8	Shujun Xu	CFCC
9	Yang Meng	CFCC interpreter
10	Liu Kaitao	CFCC
11	Wang Fenlin	Secretary-General of China Film Producers' Association; China Film (Qingdao) Base
12	Pang Lei	Film Industry Director of China Film Producers' Association
13	Guo Jiandong	PA to President of China Film Producers' Association
14	Wang Jianxiong	China Film Group - Huairou, Post-production
15	Xu Yi	China Film Group - Huarou, Animation
16	Deng Meng (Director)	China Film Group - Production Corporation
17	TBC	China Film Group - Production Corporation
18	Xu Bing (General Manager)	China Film Group - Distribution Corporation
19	Wang Zhongjun (President)	Huayi Brothers Media Corporation
20	Yang Tingkai (Executive Producer)	Huayi Brothers Media Corporation
21	Ming Zhenjiang (General Manager)	August First Film Studio
22	Hou Keming (President)	China Children's Film Association
23	Zhai Yan (Director)	Enlight Pictures
24	Tian Tian (General Manager)	ESA Cultural Investment (Beijing) Co. Ltd

## TRAVEL REPORT

25	Zhang Xinyi (Marketing Manager)	ESA Cultural Investment (Beijing) Co. Ltd
26	Liu Zhijiang (President)	Zhejiang Hengdian Film Production Company
27	He Yuehua	Zhejiang Hengdian Film Production Company
28	Shen Xiande	Zhejiang Hengdian Film Production Company
29	Delegate TBC	Zhejiang Hengdian Film Production Company
30	Hu Min (Vice-President)	Warner China Film HG Corporation(WCFHG)
31	Feng Kexin (Assistant to President)	Infotainment China Media Company
32	Wang Dafang (General Manager)	Tianjin North Film Group Corporation
33	Ren Huanqi (Deputy GM)	Tianjin North Film Group Corporation
34	Yang Hongtao (General Manager)	Ningxia Film Group
35	Guan Zhaoyi (General Manager)	Xi'an Qujiang Film & TV Investment (Group) Co.
36	Zhang Xin (Contents Manager)	Xi'an Qujiang Film & TV Investment (Group) Co.
37	Li Hongbing (Planning Dept Manager)	Xi'an Qujiang Film & TV Investment (Group) Co.
38	Guo Xiling (Copyright Dept Manager)	Xi'an Qujiang Film & TV Investment (Group) Co.
39	Zheng Wenbo (Contents Editor)	Xi'an Qujiang Film & TV Investment (Group) Co.
40	Zhan Jincan (General Manager)	Fujian Film Studio
41	Wang Lijun (Executive Producer)	Fujian Film Studio
42	Su Xian (Film Investment Director)	DMG Entertainment Group
43	Qi Weimin (Chairman)	Beijing Haiyanheqing Film Culture Ltd.Co
44	Wu Chao (Planning Dept Manager)	Beijing Haiyanheqing Film Culture Ltd.Co
45	Chang Yang (Assistant to President)	Beijing Haiyanheqing Film Culture Ltd.Co
46	Hou Li (General Manager)	Beijing Cheerland Entertainment Group
47	Han Xiaoling (General Manager)	Taihe Universal Film Investment Co. Ltd
48	Wang Fan (Director)	"Beijing Carmen" Co-production project
49	He Panpan (Vice-President)	Asia Pacific Producer's Net (APN)
50	Wang Lifeng (President)	Xing Xing Digital Coporation - Beijing
51	Ren Yue (Deputy GM)	Yindu Entertainment Group
52	Yuan Xin (Vice-President)	Xingmei Interntationl Group
53	He Zizhuang (General Manager)	Shanghai Harvest Media & Entertainment Co.
54	Sun Weilu (General Manager)	Shaanxi Maozhi Film Co.

## ATTACHMENT C – Australian Delegation Guest List

**Australia-China Film Industry Forum - AUSTRALIAN Guest List**

	<b>Name</b>	<b>Company</b>	<b>State</b>
<b><i>Official Organisations</i></b>			
1	Geoff Brown	Screen Producers' Association of Australia (SPAA)	NSW
2	Chris Oliver	Screen Australia	NSW
3	Alaric McAusland	Ausfilm, Deluxe Australia	NSW
4	Des Power	Asia Pacific Screen Awards	QLD
<b><i>Forum Delegates</i></b>			
5	Mario Andreacchio	AMPCO Films	SA
6	Anton Andreacchio	Convergen	SA
7	Robyn Kershaw	Robyn Kershaw Productions	VIC
8	Sue Milliken	Samson Productions	NSW
9	David Waddington	Imagine-If Productions	VIC
10	Pauline Chan	Darkroom Films Australia	NSW
11	Ron Saunders	Beyond International Pty Ltd	NSW
12	Maggie Miles	Savage Films	VIC
13	David Parker	Cascade Films	VIC
14	Paul Edwards	Global Film Finance	VIC
15	Michael Tear	Bearcage Films	NSW
16	Trish Lake	Freshwater Pictures	QLD
17	Janelle Landers	WBMC	WA
18	Alan Lindsay	VUE Group	WA
19	Carmelo Musca	CM Film Productions	WA
20	Nadia Tass	Cascade Films	VIC
<b><i>Forum Participants</i></b>			
21	Caitlin Stanton	RGM Media	NSW
22	Annabelle Sheehan	RGM Media	NSW
23	Gregory Miller	Film Projects Pty. Ltd.	NSW
24	Roger Savage	Soundfirm Australia	NSW
25	Geng Ling	Soundfirm China	China based
26	Mathew Alderson	Alderson Campbell Lawyers	China based
27	Scott Bulman	Alderson Campbell Lawyers	China based
28	Sam Voutas	Independent	China based
29	Melanie Ansley	Independent	China based
30	Qiao Li	The Bag Ladies	China based
31	Kelvin Mak	The Bag Ladies	China based
32	John Buck	Filmmaker	China based
33	Tara Wilkinson	Kiln Formed Films	China based
34	Rani Cunningham	Kiln Formed Films	China based
35	Sam Beattie	BBC	China based
36	Holly Williams	Sky News	China based
37	Paul Sutton	Tribal Productions	China based
38	Chen Chang	Tribal Productions	China based

## ATTACHMENT D – BUSINESS MATCHING: PARTICIPATING CHINESE COMPANIES

### Australia China Film Industry Forum 中澳电影合作论坛 Business matching Friday 10<sup>th</sup> December Participating Chinese Companies

*Note: sessions are 20 minutes and will run strictly to time.  
Delegates are welcome to arrange meetings outside of these times as well.  
Please sign up with Amanda Barry (1391 055 8673) and keep your own record of your appointments.*

#### MORNING SESSION (9am-12.30pm)

**China Film Co-Production Corporation 合拍公司**  
杨盟 刘楷韬 Yang Meng and Liu Kaitao

**China Film Group Production Company**  
邓萌(Deng Meng) + 1  
[dengmeng03@gmail.com](mailto:dengmeng03@gmail.com)

**Ningxia Film Group**  
杨真鉴: 艺术总监(Yang Zhenjian: Arts Director)  
麻朝俊: 驻京办事处副主任 (Ma Chaojun: Deputy  
Director of the Group's Beijing Office)  
[nxdyvspc@163.com](mailto:nxdyvspc@163.com)

**Beijing Cheerland Film Ltd**  
侯俐: 总经理, (Hou Li, General Manager)  
Mobile 电话: 13910976548 邮箱:  
[bj.houli01@gmail.com](mailto:bj.houli01@gmail.com)

**Beijing Haiyanheqing Film Culture Ltd**  
齐为民: 董事长 Qi Weimin (Chairman)  
电话: 13301361799 邮箱: [beijinghyhq@163.com](mailto:beijinghyhq@163.com)  
吴超, 策划, 电话: 13269119718 (Wu Chao,  
Planning Dept Manager)  
常杨, 助理, 电话: 15210957849 (Chang Yang,  
Assistant to President)

#### MEETINGS ALL DAY (9am – 5pm)

**Xi'an Qujiang Film Investment Group**  
Zhang Xin, Zhang Xin (Contents Manager) 张新, 题  
材部部长, 电话: 13809195176  
Zheng Wenbo (Contents Editor) 郑文博, 题材部责  
编, 电话: 13991169660  
徐立敏 Xu Limin

**Shaanxi Maozhi Film Ltd**  
总经理: 孙唯露 Sun Weilu, General Manager

王凡: 合拍项目《北京卡门》导演  
**Independent filmmaker interested in co-  
production**  
Wang Fan Director  
电话 86-135-818-051-26 [wangfan6@yahoo.com.cn](mailto:wangfan6@yahoo.com.cn)

**Tianjin North Film Group Corporation**  
王大方: 总经理 Wang Dafang (General Manager)  
任焕起: 副总经理 Ren Huanqi (Deputy GM)  
[ty@tj-film.com](mailto:ty@tj-film.com)

#### AFTERNOON SESSION (1.30pm – 5pm)

**ESA Cultural Investment (Beijing) Co. Ltd**  
田甜: 总经理 Tian Tian, GM  
张辛夷: 市场经理 Zhang Xinyi, Marketing Manager  
电话: 84872251  
邮箱: [ESA@chunqihong.com](mailto:ESA@chunqihong.com)

**Warner China Film HG Corporation**  
胡敏: 副总裁 Hu Min, Vice President  
[humin@wcfhg.com](mailto:humin@wcfhg.com)

**Shanghai Harvest Media Ltd**  
He Zizhuang, General Manager  
贺子壮: 总经理 编剧 导演  
电话: 15821591580  
邮箱: [hzzh2003@163.com](mailto:hzzh2003@163.com)

**Fujian Film Studio**  
詹金灿: 厂长 Zhan Jincan, President  
王利军: 电影制片总监 Wang Lijun, Wang Lijun  
(Executive Producer)  
[wx001825@sina.com](mailto:wx001825@sina.com)

**DMG 集团公司 DMG Group**  
苏娴: 电影开发总监 Su Xian (Film Investment  
Director)  
Email: [xian.su@dmgmedia.com](mailto:xian.su@dmgmedia.com)

**Zhejiang Hengdian Film Production Company**  
刘志江: 董事长 Liu Zhijiang (President)  
何跃华 He Yuehua  
沈贤德 Shen Xiande 18857935823  
[gxq7912@163.com](mailto:gxq7912@163.com)

**Taihe Universal Film Investment Co. Ltd**  
赵梦然: 制作经理  
Zhao Meng'an, Production Manager  
Tel: 86-10-6436 6622 | Fax: 86-10-6436 9118  
E-mail: [ninahan@taihefilm.com](mailto:ninahan@taihefilm.com) |  
[movies.great@gmail.com](mailto:movies.great@gmail.com)

**APPENDIX 2**

Australian Government  
 Australian Trade Commission

## China Film Market Overview

Austrade China 2010

### Trends and opportunities

China's film and audio-visual market offers a range of opportunities for foreign involvement in investment, production and distribution.

The Chinese film market saw robust growth in 2009 despite the economic downturn, lifting its box office into the world's top ten for the first time. Investment in the China film market is also growing with government support, providing stable returns.

As at 2009, China's total screen footprint numbered more than 4,700, including 1,800 digital and 800 3D screens. Over 200 films were publicly released, including 50 foreign films each year on average, from 2006 to 2009.

According to the State Administration of Radio, Film and Television (SARFT), total box office revenue reached 6.2 billion yuan (906.7 million U.S. dollars) in 2009, up 42.96 % on the previous year. It is forecast to reach almost \$2 billion by 2015. Foreign films accounted for 44 % of box office revenues in 2009.

Market growth will be driven by a number of factors based on current and past trends including increases in domestic purchasing power, rising disposable incomes and consequent shifts in consumer spending, rising ticket prices, increase in digital cinema technology and distribution, decrease in piracy rates, rising number of high-quality theatres, multiplexes and screens, increases in domestic film productions and co-productions, cultural and regulatory changes and the emergence of a *DVD/home* video market.

### Industry structure

Similar to Australia and other film-producing countries, the China film industry has a number of large production houses and many smaller independent producers. Well known large producers are based in Beijing, Shanghai and Guangzhou. The key for Australian production companies is to identify suitable production partners. There are well established studios in Shanghai, Jiangsu and Zhejiang. Many film studios provide first-rate production facilities.

The domestic distribution market is dominated by five major distribution companies. These include the three state owned enterprises China Film Group, Shanghai Film Group, Huaxia Film Group, as well as two privately owned companies - Huayi Brothers and Polybona.

Educational institutions are producing an increasingly skilled workforce with famous institutions such as the Beijing Film Academy and Shanghai Theatre Academy.

## **Opportunities and the competitive environment**

### **Imported foreign films**

Each year, the China Film Group have a quota to import 20 foreign blockbusters. As Australian films do not enjoy a high profile in China, barriers exist in connection to local market perceptions that only Hollywood blockbusters can guarantee box office returns.

China's English-language state broadcaster CCTV's movie channel offers a pathway to achieve sales and enhance the profile of Australian film, screening around 300 foreign films - predominantly feature length - per year.

### **Co-production**

Co-produced films contributed more than 50% of the box office revenue in China in 2009, although the 67 approved co-productions only accounted for 10% of total films produced. Furthermore, the distribution of coproductions is not limited to mainland China, with 34 co-produced films distributed overseas.

Film companies from the US have been the most active partners for co-production film in China, with one recent success being *Painted Veil*.

Following the signing of the joint treaty between Australia and China in August 2007, co-production pathways offer opportunities for Australian companies, provided suitable scripts and projects can be developed. *The Dragon Pearl*, now in post-production, was the first official Sino Australian co-production made under the treaty.

### **Post-production**

Australian post production capability enjoys an excellent reputation amongst the Chinese film industry. However, of the 200 plus films produced each year in China, only a small minority of these are attached to high-profile directors like Zhang Yimou, Feng Xiaogang, Chen Kaige or Hong Kong-based directors with budgets large enough to engage Australian post production, Thailand, Japan and Hong Kong are also competitors. A recent Australian China joint venture in sound design and mixing is developing quickly and expanding to visual effects, which could see Australian post production expertise gain a foothold.

### **The Co-production Treaty**

Official co-productions are made under formal arrangements between Australia and China. These arrangements are designed to:

- foster cultural and creative exchange,
- allow the risk and cost of filmmaking to be shared, and
- drive up quality and output

Partners working together on official co-productions can take advantage of each other's support systems.

For more information about co-production Treaty between Australia and China, please visit:  
[www.screenaustralia.gov.au/coproductions/partner\\_countries/china.aspx](http://www.screenaustralia.gov.au/coproductions/partner_countries/china.aspx)

### **China's significant film festivals**

*Shanghai International Film Festival*  
www.siff.com

The Shanghai International film Festival (SIFF), founded in 1993, is China's only A- category international film festival accredited by the FIAPF. The SIFF 2011 will be from 11 to 19 June 2011.

### **Government, business and trade resources in China**

China Film Co-production Co., Ltd - [www.cfcc-film.com.cn](http://www.cfcc-film.com.cn)

The State Administration of Radio Film and television -  
[www.chinasarft.gov.cn](http://www.chinasarft.gov.cn)

### **Australian resources**

Screen Producers Association of Australia - [www.spaa.org.au](http://www.spaa.org.au)

The Australian International Documentary Conference (AIOC) -  
[www.filmfestivalworld.com](http://www.filmfestivalworld.com)

Screen Australia - [www.screenaustralia.gov.au](http://www.screenaustralia.gov.au)

### **Tips for doing business in China**

- Take time to understand the market, recognise cultural difference and local business practices
- Partnerships are critical, the value of a good partnership cannot be understated
- China demands commitment, there are few shortcuts
- It takes time, and more than one visit, to establish the business relationships you need
- Seek information from several sources, to double check / validate your sources

Text sources: SARFT, CFCC, China Academic Journal

**APPENDIX 3****National supportive policies for international co-productions****– China Film Co-production Co Ltd****China's reform and supportive policies of its film industry**

Chinese government launched the reform of film industrialization in 2003. China's film industry could be described as being on the brink of ruin before the reform. Chinese government promised to double the quota of its annual imported revenue-sharing films to 20 with its entry into the WTO in the year of 2001. Thus, lots of imported revenue sharing films, mostly Hollywood films, are released in Mainland China each year, causing a huge impact to its film industry. In the same year, the total annual box office income was RMB 870 million with 80% contributed by imported revenue sharing films. Chinese film industry was facing great challenge. Chinese government was determined to initiate the reform of film industrialization. In 2003, a reform aimed at the whole industry was unveiled in China, a series of film support policies were introduced, which softened some restrictions on the film industry, lowered the criteria, reshuffled the system in which only the state-owned film studios had been entitled to make films. Privately owned enterprises began to enter the industry, to produce and distribute films, they were also allowed to build and run cinemas, while foreign companies were given the nod to invest in cinemas in Mainland China. Privately owned enterprises have played the same role as the state-owned film studios in film production, film distribution, cinema investment and operation.

The newly adopted film policies led to the inflow of private and foreign capital into the film industry, activated Chinese film market, and accelerated the marketization of the industry's various sectors ranging from film investment to distribution and other relevant parts. Chinese film industry was beginning to show a rising trend.

From the year of 2002 to 2004, China's annual film productions increased from 100 to 212, the annual box office revenue expanded from RMB 900 million to RMB 1.5 billion, the number of Sino-foreign co-productions went up from 16 to 39 per year.

**<Table 1> Number and box office of Chinese films and co-productions**

<b>Year</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
No. of films	100	140	212
No. of co-productions	16	36	39
Box office (RMB m)	9	10	15

Chinese government beefed up financial support for its film industry after the new policies were beginning to pay off. In 2007, Chinese authority injected RMB 1 billion to back cinema establishing and film screening in the rural areas. Each year, RMB 5 million is provided by the SARFT (state administration of radio, film and TV) for the production of film prints for the central and western rural areas of China.

Meanwhile, the SARFT started to subsidize the establishment of digital cinema in a bid to promote digital film screening. Capital was subsidized to the installation of digital screening facilities. In 2008, Chinese government subsidized more than 7000 sets of digital screening equipment and RMB 330 million were granted as digital screening subsidies.

Some of China's local governments engineered film supportive policies besides those issued by the central government. For example, Beijing municipal government formulated policies on subsidizing cinema establishment, which indicates that every screen set up in the newly built cinema in Beijing gets RMB 500,000 as subsidy from the municipal government, RMB 2.5 million tops for multiplex theater. From 2004 to 2009, Beijing municipal government has granted RMB 50 million subsidy, attracted more than RMB 800 million funding for cinema building. Such government subsidy led to the influx of a large number of funds.

The number of movie screens has been growing rapidly thanks to the subsidy and relevant policies issued both by the central and local government.

Since 2003, Chinese government has adjusted film policies and provided capital subsidy, privately owned enterprises and a great amount of social capital have been inflowing into the Chinese film industry, which invigorated China's film production, distribution and cinema establishment. The number and BO of Chinese films kept increasing fast for seven years in a row.

**<Table2> Number and box office of Chinese film from 2003 to 2009**

Year	2002	2003	2004	2005	2006	2007	2008	2009
No. of films	100	140	212	260	330	402	406	456
Box office (RMB m)	9	10	15	20	26.2	33.27	43.41	62.06

Chinese government is currently working on legislating *Film Industry Promotion Act* in an effort to create a preferential atmosphere for the development of its film industry.

### **China's supportive policies and measures for international co-productions**

Chinese co-production policies regulate that Sino-foreign co-productions are regarded as domestic films which have easy access to the mainland market once get screening permit.

Besides, foreign party enjoys 10% income tax cut for its co-production box office in mainland China.

In 2004, Chinese government further loosened film co-production policies, allowing privately owned film production companies and overseas film studios to co-produce films, attracting a huge number of private funds into the co-production sector, which led to more vigorous activities of Sino-foreign co-productions.

In 2009, the SARFT developed and implemented export rewarding measure for domestic films. Co-production gets a certain ratio of reward in accordance with its overseas revenue.

Chinese government is actively seeking to ink co-production treaty with potential countries to promote the making of more Sino-foreign co-productions. For the time being, China has signed the treaty with Canada, Italy, France, Australia, New Zealand and Singapore, which secure a legal protection and policy support for the cooperation between China and those nations.

As an organ being in charge of Sino-foreign co-productions, China Film Co-production Corporation (CFCC) hosts 3 to 5 co-production forums each year, which set up dialogue platforms for film makers from both China and the world, creating opportunities of communication and cooperation.

Sino-foreign co-production business is on a sustainable-development path supported by policies and measures formed by the above countries.

The number of countries that have co-produced films with China is gradually increasing. In recent years, Chinese film production companies actively expanded cooperation opportunities and forged film co-production relations with more countries. In 2006, the first Sino-finish co-production *Jade Warrior* was released in Northern Europe and performed extremely well. The film's box office not only tops the list in Finland in that year, but good in China. The newly finished film *The Last Dragon* is the first Sino-Australian co-production after the two countries signed the co-production treaty. By the end of 2009, China has co-produced films with more than 20 countries covering the area of Asia, Europe, Australia and North America. The Chinese Mainland has also kept close cooperation with Hong Kong SAR, Macao SAR and Taiwan region.

The co-production investing and financing mode is changed for the government's preferential policies and the influx of social capital. The funds for co-productions are mainly from global enterprises investment, venture capital, loan financing, copyright pre-sale and advertisement. A diversified approach to investing and financing is formed. With the ever expanding investment for co-productions, the budget for each single film is also increased. The co-productions like *Hero*, *House of Flying Daggers* and *Red Cliff* have budget over RMB 100 million per one. Chinese production companies are gradually getting dominant roles with their ever increasing investment ratio in a co-production project. Over the past a few years, more and more co-production films were mainly invested and made by Chinese parties, those including *Hero* and *House of Flying Daggers* directed by Mr. Zhang Yimou, *Assembly* and *Aftershock* directed by Mr. Feng Xiaogang, *Forever Enthralled* directed by Mr. Chen Kaige were all mainly made and produced by Chinese parties and won good box office and reputation in both China and the world.

Furthermore, the emerging of more themes and genres of co-productions reshuffled the market dominated by costume martial arts blockbusters. Co-production films in the genre of comedy, history, war, disaster, thriller and biography were successfully released in 2009. It is worth mentioning that some co-productions with medium and low budget got great box office revenue. A diversified co-production market pillared by mainstream blockbusters, based on genre films, supplemented by medium and low budget films is taking shape.

Given the mentioned changes, Sino-foreign co-production films are taking more market share in China's film market. From 2008 to 2009, the co-production films which accounted for 10% market share in China contributed 70% to the total box office income of Chinese films. Most Chinese top 10 box office winners are co-production films. What's more, box office of single co-production keeps breaking the record of Chinese films box office revenue. In 2008, the co-production *If You Are the*

*One* earned a box office of RMB 320 million, *The Founding of a Republic's* box office hit more than RMB 400 million, *Aftershock* released 2 months ago created a box office of RMB 600 million. The box office of Chinese films exceeded imported foreign films for 7 straight years thanks to the huge contribution of Sino-foreign co-productions. To date, among the top 20 box office winners in Mainland China, 6 of them are imported films, the rest are Chinese films in which 12 films are co-productions.

Sino-foreign co-productions perform well in global markets. The co-production film *Crouching Tiger, Hidden Dragon* became the highest-grossing foreign language film ever released in North America. The co-production *Hero* grabbed USD 53 million box office revenue in North America and was the third-highest grossing foreign language film there. In 2009, 48 Chinese films were distributed to 68 countries in Asia, Europe, North America and the area of HK SAR, Macao SAR and Taiwan Region, the total overseas box office reached RMB 2.77 billion. Among the 48 exported films, 38 films were co-productions. In the same year, all 11 Chinese films distributed to South Korea were co-productions. There were also 6 co-productions among all 8 films distributed to Japan. The co-productions accounted for 80% and 95% respectively in terms of the number and box office revenue of all Chinese films released overseas.

Global film co-productions have offered opportunities for film makers to learn and take reference from each other. Chinese film makers have absorbed film making experience, introduced mature financing means, concept of commercial film and promotional and distributional ideas. Product placement and hi-tech means have also been widely used in movies. A batch of professional film talents have been nurtured because of Chinese production companies' cooperation with elite foreign production teams.

International cooperation has become a trend in today's global film industry. Currently, cooperation among European nations is quite frequent. Co-productions have accounted for some 30% of the total amount of films made by countries like France, Germany and Italy respectively. More than half of UK films are co-productions. Compared with the above countries, co-productions account for less than 10% of the amount of Chinese films, which leaves a huge room for the development of Sino-foreign co-productions. I have noticed that South Korea, Japan and India are all equipped with great film production professionals and big markets, other Asian countries are also making efforts to develop their film industries. I expect more cooperation between China and other Asian countries, CFCC will work hard on it.

China possesses rich resources in making global co-productions. Profound history and splendid culture have nurtured abounding stories which could generate diversified film subjects. Vast geographical space and cultural landscape highlight the diversity of scenery, providing various locations. Advanced film digital production bases satisfy requirement of film making. Potential film market could realize demand for bigger market. The existence of great Chinese film directors, producers and distributors enables mutually benefiting inter-exchange and cooperation between China and other countries.