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# UNIT 1

## Film Industry

### Quotation 1:

*"Film as dream, film as music. No art passes our conscience in the way film does, and goes directly to our feelings, deep down into the dark rooms of our souls."*

—Ingmar Bergman

### Quotation 2:

*"Film is one of the three universal languages, the other two: mathematics and music."*

—Frank Capra

## Lead-in

### 1. Match-up

Can you tell the name of each film from these pictures? Write down their names and match them with the genre of film that they represent.



(1)



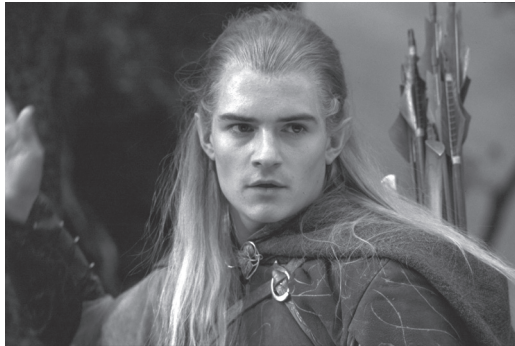
(2)



(3)



(4)



(5)



(6)

- |    |                     |                  |
|----|---------------------|------------------|
| 1) | <u>Forrest Gump</u> | Action Film      |
| 2) | _____               | Animated Film    |
| 3) | _____               | Romantic Tragedy |
| 4) | _____               | Fantasy          |
| 5) | _____               | Comedy           |
| 6) | _____               | Romantic Epic    |

## 2. Discussion

- 1) What is your favorite film and why do you like it?
- 2) There are many aspects contributing to the success of a film, such as big investment, a good story, a great director or dazzling visual effects. Which one is the most important from your point of view?
- 3) How do you evaluate the impact of those successful Hollywood films on other nations' domestic film industry?

## The Harry Potter Economy

*J.K. Rowling's fictional wizard not only created an industry; he has also transformed Hollywood.*

In a former Rolls-Royce factory north of London, a new kind of industry is churning. **Gothic**<sup>1</sup> walls are being molded and costumes sewn. Women stitch hairs onto goblins. A sculptor creates a huge monument to wizarding might. Two men are employed to spackle the roof. This production line at **Leavesden Studios**<sup>2</sup>, which has been running for almost a decade, will soon be switched off. “People talk about the effect of factories closing,” says David Heyman, who produces the Harry Potter films. “When we stop filming next May, at least 800 people will be looking for work.”

J.K. Rowling's chief contribution to the economy consists of seven books about a wizard. Harry Potter is an orphan who has been raised in a stifling suburban house. At the age of 11 he is surprised to get an invitation to attend Hogwarts School of Witchcraft and Wizardry. There, he learns about Lord Voldemort, his parents' killer and a wizard of such wickedness that he is known as “He Who Must Not Be Named.” Potter must confront this menace in between worrying about sport, homework and girls.

The story of Harry Potter's journey from the mind of a single mother living in Edinburgh to a global mass-media franchise is a fairy tale. Precisely, it is Cinderella—a story of greatness overlooked, chance discovery and eventual riches. Harry Potter might never have become known had an employee at **Christopher Little Literary Agency**<sup>3</sup> in London not taken a liking to the manuscript's binding and picked it out to read. It went on to be rejected by several publishers. Cinderella's transformation from kitchen grunt to belle is both delightful and disruptive. So it has proved for the companies involved with Harry Potter.

The first company to be transformed was Bloomsbury, a London

### Notes:

**1. Gothic:** The Gothic style of building was common in Western Europe between the 12th and 16th centuries, which is characterized by tall pointed arches and windows and tall pillars.  
哥特式的

**2. Leavesden Studios:** a film and media complex owned by Warner Bros.  
利维斯登工作室

**3. Christopher Little Literary Agency:** a firm of literary agents based in London. It managed J.K. Rowling from 1996 until 2011 and has been credited with single-handedly managing Rowling's career and turning the Harry Potter franchise into a multi-million-pound industry.  
克里斯托弗·利特尔文学代理公司

**4. Scholastic:** a U.S.-based global book publishing company known for publishing educational materials for schools, teachers and parents. It also has the exclusive United States' publishing rights to the Harry Potter book series.

学乐出版社

**5. outfit:** a group that works as a team or an organization  
团队，公司

publishing house. It was a somewhat unlikely home for a blockbuster children's book series. In 1996 the firm's children's books division had generated just £732,000 in sales, compared with £4.7 million for the reference division. Nigel Newton signed up the manuscript that was to become *Harry Potter and the Philosopher's Stone* after market-testing of it on his daughter.

The firm had little idea of what was to come. Bloomsbury's annual report for 1996, written shortly before the publication of *Harry Potter and the Philosopher's Stone*, contained no mention of the forthcoming book. The following year's report celebrated three big titles. They were *Great Apes* by Will Self, *The Magician's Wife* by Brian Moore and *Fugitive Pieces* by Anne Michaels. The report only mentioned that a book by Ms. Rowling had won the Smarties Prize, awarded by children, and was selling well. Even in the spring of 1999, by which point the Harry Potter books had sold 763,000 copies, the company was still emphasizing other children's books, referring to the Harry Potter series as "the tip of a publishing iceberg."

In fact the Harry Potter books were the iceberg. As each book appeared, it drew new readers to the series and expanded sales of earlier books in a snowball effect. Thanks largely to the boy wizard, Bloomsbury's turnover, which had gradually increased from £11 million in 1995 to £14 million in 1997, took off. In 1999 it stood at £21 million. Two years later it was £61 million. By the middle of this decade, with Bloomsbury's revenues above £100 million, rival publishers were griping that there was no point bidding against the firm for a children's title. So far the books, which are published in America by **Scholastic**<sup>4</sup>, have sold more than 400 million copies worldwide. Not all were read by the young. Central to the books' success was a repackaging, with a darker cover, for adults embarrassed about being seen reading a children's book.

The next company to be touched by the commercial magic wand was even smaller. Heyday Films, a young London production **outfit**<sup>5</sup> founded by Mr. Heyman, was looking for books that could be turned into films. In another tale of magic nearly overlooked, *Harry Potter and the Philosopher's Stone* was picked up by Mr. Heyman's secretary in the summer of 1997. He took it to Warner Bros., with

which he had a **first-look deal**<sup>6</sup>. Although his main contact there, Lionel Wigram, was keen on it, senior executives did not share the enthusiasm. It took the studio until October 1998 to option the rights to the first books. Warner Bros. commissioned a screenplay but then spent months negotiating with Steven Spielberg of **DreamWorks**<sup>7</sup>, who was interested in directing. Only after he pulled out, in February 2000, did the project roll forward.

In retrospect the studio appears unforgivably tardy. But the books had taken off slowly in America. In July 1999 an article in *The New York Times* asked “Harry who?” Mr. Wigram, executive producer of the later films, pointed out that fantasy was out of fashion at the time (*The Lord of the Rings* had not yet appeared). A Hollywood studio was bound to question whether American audiences would warm to an inherently British story. Yet flying broomsticks and dragons are not cheap. The project appeared “too British for the studios but too big to be a British production.”

Warner Bros.’ initial reluctance to make the films appears odd only because it has had such success with them. With six movies out and two to come, the series has sold \$1.7 billion-worth of cinema tickets in America and \$3.7 billion elsewhere. In America each Harry Potter film has been among the top five sellers on DVD and **VHS**<sup>8</sup> tape, even in years when the films were released in November and December.

In 2001, as the first film in the series headed for cinemas, executives and media **pundits**<sup>9</sup> speculated that Harry Potter films might come to rival the Batman series, a series that then numbered four big-budget films. The contrast is revealing. The Batman series was a good example of a 1990s blockbuster-film franchise. It had big stars like Jack Nicholson and Michael Keaton. The films went steadily downhill, both in quality and in box office performance.

Harry Potter is a wholly different product. Instead of **A-listers**<sup>10</sup>, the films feature hitherto obscure child actors and British theatrical talents. Perhaps the biggest star is Alan Rickman, previously known to American cinemagoers (if at all) as the villain in *Die Hard*.

Harry Potter was in the vanguard of a new approach to big-budget

**6. a first-look deal:** an arrangement, usually in the film industry, with which a studio is assured of the right of first refusal in relation to developing and/or producing a project  
优先合作协议

**7. DreamWorks:**  
an American film studio founded by Steven Spielberg and two others  
梦工厂（斯皮尔伯格等人创立的电影工作室）

**8. VHS:** Video Home System  
家用录像系统

**9. pundit:** a person who gives opinions in an authoritative manner usually through the mass media  
专家，权威

**10. A-lister:** a term that alludes to major movie stars  
一线电影明星



**11. cult:** very popular  
with a particular group  
of people  
受特定群体欢迎的

**12. stay put:** to remain  
in a fixed or established  
position  
原地不动

**13. revenue stream:** a  
method that a company,  
an organization or  
an individual uses to  
collect money from  
users of their product  
or service  
收益源

**14. merchandising  
blitz:** a way to promote  
the sale of sth., as by  
advertising or display,  
involving business  
competition  
促销大战

filmmaking. Most modern blockbuster franchises have two things in common: They are based on known properties such as books and comics, and they are steered by respected but little-known directors. The successful Spider-Man films are directed by Sam Raimi, a **cult**<sup>11</sup> horror-film maker. Peter Jackson, a New Zealander, was asked to steer *The Lord of the Rings*, the first installment of which appeared a month after Harry Potter. Perhaps the best example of the new model is the revived Batman franchise, now in the care of an independent-film director, Christopher Nolan. It is again producing critical cheers and plenty of money for Warner Bros. None of these franchises revolves around a star actor, although all have created stars.

In Harry Potter's case, creative experimentation is possible because of the rigorous control exerted over many aspects of the production. The team that has worked on the Harry Potter films is unusually stable. Mr. Heyman and the lead designers have **stayed put**<sup>12</sup> throughout. Stimulated by a steady supply of complex work, local outfits like Double Negative and the Moving Picture Company have grown in competence and can now handle just about all the films' special-effects needs. Even more unusual, some sets have been allowed to remain in Leavesden Studios for almost 10 years. As Mr. Heyman puts it, directors may shoot the action from different angles but they are filming the same Hogwarts.

### Harry Potter and the Multiple **Revenue Streams**<sup>13</sup>

In 2000 Ms. Rowling said her "worst nightmare" was that her hero would end up on the side of fast-food containers. He was to appear just about everywhere else. As the first film was released, in 2001, a **merchandising blitz**<sup>14</sup> began. Shelves groaned under figurines, snow globes, beach towels and furniture. That year Mattel, which held the master toy license, sold about \$160 million worth of Harry Potter products.

Then sales began to drop. Mattel said it sold \$130 million-to-\$140 million worth of toys the following year, when the second film was released. Children had their trinkets by that point: It is unnecessary to buy a figurine of Ron Weasley with detachable broomstick every time a Harry Potter film comes out. A downward trend in sales



is also evident for the computer games made by Electronic Arts, which have sold a total of \$427 million in America, according to NPD, a market-research company. Over the years video-game players have become older—the average age is now 35, according to the Entertainment Software Association. Older players are less interested in games based on films.

A new opportunity to sell stuff looms. Next year the Wizarding World of Harry Potter will open in a Universal Studios theme park in Florida. Amateur pictures and videos of the construction site (there are hundreds on fan websites) show several tall buildings, including a Hogwarts school. There will be three rides and drinks such as Butterbeer and pumpkin juice, together with “traditional British fare.” And there will apparently be a good deal of shopping.

Great media products start trends. Harry Potter has educated publishers about appealing both to children and adults. It has taught studios how to make and sustain blockbuster franchises and how to deal with fans. Perhaps no children’s book series will match this one for many years. Given the rise of digital media and piracy, Harry Potter may be seen as a **high-water mark**<sup>15</sup> in the industry.

**15. high-water mark:**  
the time when sb. or  
sth. is most successful  
顶点，高峰

## Exercises

### I. Reading Comprehension

#### 1. Complete the following passage with the information you get from the text.

The Harry Potter series is a set of 1) \_\_\_\_\_ books written by J.K. Rowling for 2) \_\_\_\_\_. It tells the story of a(n) 3) \_\_\_\_\_ boy named Harry Potter whose adventure in the wizard world amazes millions of readers worldwide. The story of Harry Potter’s journey from the 4) \_\_\_\_\_ of a single mother living in Edinburgh to a global 5) \_\_\_\_\_ franchise is a fairy tale. As if by magic, it has transformed not only the life of the writer J.K. Rowling, but also every company it involved, from the 6) \_\_\_\_\_ house Bloomsbury to the small film production studio Heyday Films. Then, with the 7) \_\_\_\_\_ commercial success of the adapted films, it even 8) \_\_\_\_\_ Hollywood by setting up a new 9) \_\_\_\_\_ to big-budget film-making. Moreover, the Harry Potter series generated 10) \_\_\_\_\_ revenue streams.

With its success in film-based toys, video games and a forthcoming theme park, J.K. Rowling's fictional wizard really created a whole industry.

## 2. Answer the following questions according to the text.

- 1) How was the first book of the Harry Potter series discovered by the publishing house?
- 2) Why did it take Warner Bros. nearly two years before the project of filmmaking finally began?
- 3) Like *The Lord of the Rings* or the revived Batman franchise, the Harry Potter films are in the vanguard of a new approach to big-budget filmmaking. What criteria do these modern blockbuster films share in common?
- 4) Apart from profits generated by selling books and movie tickets, what are the other sources of revenue for the Harry Potter franchise?
- 5) What do you think is most intriguing in the legendary success of the Harry Potter series?

## II. Vocabulary

Complete the following sentences with the words or expressions given in the box. Change the form when necessary.

churn	retrospect	tardy	confront	commission
rigorous	roll forward	pull out	speculate	merchandise
inherently	pundit	vanguard	blitz	detachable

- 1) Dealers and traders here \_\_\_\_\_ that the government intended to repurchase as much as two trillion yen of bonds during the month of November, but Bank of Japan officials declined to comment on those rumors.
- 2) A late-afternoon storm would come up quickly, \_\_\_\_\_ the water, flashing sheet lightning and sometimes producing golf ball-sized hail.
- 3) To some, the critiques of National Health Insurance may seem excessive in \_\_\_\_\_. But they contain much truth.
- 4) Karl Lagerfeld's decision to add \_\_\_\_\_ white cuffs to this season's black Chanel jackets was a masterstroke.
- 5) The marketing \_\_\_\_\_ emphasized the importance of understanding consumer behavior in the digital age.
- 6) The fact is that, you know, nuclear power is a(n) \_\_\_\_\_ dangerous technology. And when things go wrong, they tend to go very wrong.
- 7) He seems to be in the \_\_\_\_\_ of a political culture that is less fearful of the government.
- 8) Sometimes you have tough decisions to make. If an employee is constantly \_\_\_\_\_, is this an occasion to discipline the employee or to show support to meet personal needs?

- 9) He had initially planned to sell to Japanese buyers. But after a four-month marketing \_\_\_\_\_ yielded just two bidders in the sluggish domestic market, Mr. Kawakami turned to China.
- 10) For a sportswear company, for example, he looks for people who studied fashion \_\_\_\_\_ in college or worked for a clothing store.

### III. Paraphrasing

#### 1. Rewrite the underlined part(s) of each sentence in your own words.

- 1) Cinderella's transformation from kitchen grunt to belle is both delightful and disruptive. So it has proved for the companies involved with Harry Potter.  
Cinderella's transformation from kitchen grunt to belle is both delightful and disruptive.  
\_\_\_\_\_.
- 2) Thanks largely to the boy wizard, Bloomsbury's turnover, which had gradually increased from £11 million in 1995 to £14 million in 1997, took off.  
Thanks largely to the boy wizard, \_\_\_\_\_  
\_\_\_\_\_.
- 3) By the middle of this decade, with Bloomsbury's revenues above £100 million, rival publishers were griping that there was no point bidding against the firm for a children's title.  
By the middle of this decade, with Bloomsbury's revenues above £100 million, \_\_\_\_\_  
\_\_\_\_\_.
- 4) Central to the books' success was a repackaging, with a darker cover, for adults embarrassed about being seen reading a children's book.  
\_\_\_\_\_,  
for adults embarrassed about being seen reading a children's book.
- 5) In 2001, as the first film in the series headed for cinemas, executives and media pundits speculated that Harry Potter films might come to rival the Batman series, a series that then numbered four big-budget films.  
In 2001, as the first film in the series headed for cinemas, executives and media pundits speculated that Harry Potter films might come to rival the Batman series, \_\_\_\_\_  
\_\_\_\_\_.

#### 2. Complete the following sentences based on the structures given.

- 1) Harry Potter might never have become known had an employee at Christopher Little Literary Agency in London not taken a liking to the manuscript's binding and picked it out to read.  
Thanks to an employee at Christopher Little Literary Agency in London \_\_\_\_\_  
\_\_\_\_\_.

- 2) Bloomsbury's annual report for 1996, written shortly before the publication of *Harry Potter and the Philosopher's Stone*, contained no mention of the forthcoming book.  
Shortly after Bloomsbury's annual report for 1996, \_\_\_\_\_  
\_\_\_\_\_.
- 3) Even in the spring of 1999, by which point the Harry Potter books had sold 763,000 copies, the company was still emphasizing other children's books, referring to the Harry Potter series as "the tip of a publishing iceberg."  
Referred to as "the tip of a publishing iceberg," \_\_\_\_\_  
\_\_\_\_\_.
- 4) Warner Bros.' initial reluctance to make the films appears odd only because it has had such success with them.  
It seems odd that \_\_\_\_\_  
\_\_\_\_\_.
- 5) Harry Potter is a wholly different product. Instead of A-listers, the films feature hitherto obscure child actors and British theatrical talents.  
As a wholly different product, \_\_\_\_\_  
\_\_\_\_\_.

## IV. Translation

### 1. Sentence Translation

- 1) The story of Harry Potter's journey from the mind of a single mother living in Edinburgh to a global mass-media franchise is a fairy tale.
- 2) Precisely, it is Cinderella—a story of greatness overlooked, chance discovery and eventual riches.
- 3) In fact the Harry Potter books were the iceberg. As each book appeared, it drew new readers to the series and expanded sales of earlier books in a snowball effect.
- 4) In Harry Potter's case, creative experimentation is possible because of the rigorous control exerted over many aspects of the production.
- 5) Great media products start trends. Harry Potter has educated publishers about appealing both to children and adults.

### 2. Passage Translation

大获成功的电影《长津湖》（*The Battle at Lake Changjin*）被电影专家誉为中国战争电影史上的里程碑。年轻的战士们身处严寒，缺少食物和御寒的衣物，却愿意冒着生命危险抗美援朝，这个故事让许多观众感动得流下了眼泪。电影的成功充分展示了中国电影产业的人力资源基础、技术支撑、创作力量和潜力。分析人士进一步指出，《长津

湖》创纪录的票房表现，不仅展现了中国电影市场的巨大容量，更揭示出在文化自信日益增强的当下，符合民族精神特质的作品将获得更强烈的市场共鸣。许多中国年轻人选择支持这类影片，表明他们渴望了解中国战争英雄的故事——这些伟大的英雄在武器和后勤远远落后的情况下击败强大的敌人。当这样高质量的电影出现时，势必会成为票房热门。

## V. Cloze

Decide which of the words given in the box below would best complete the passage if inserted in the corresponding blanks. The words can be used **ONCE ONLY**.

A. arduous	B. assortments	C. capitalize	D. easier	E. operate
F. momentum	G. niche	H. nimble	I. quality	J. rallying
K. reflect	L. replacements	M. rigid	N. stream	O. transform

Leading up to its release, the movie *Avatar* was promising to be a record-shattering hit. In order to 1) \_\_\_\_\_ on the blockbuster to the fullest extent, movie theaters got rid of their creaky old film projectors and purchased sleek digital 2) \_\_\_\_\_. While it was an expensive investment for theaters, it allowed them to be more 3) \_\_\_\_\_ in what they screened. It's not a surprise that this transition took place: Physical film was particularly inefficient for being heavy and uneconomical. What was more surprising was how this affected the 4) \_\_\_\_\_ of movies offered to consumers. With digital, it's easier to have time for 5) \_\_\_\_\_ films, because one employee can switch between one movie and another with the push of a digital button. On the flip side, digital technology also gives the theaters more flexibility to 6) \_\_\_\_\_ the big blockbusters even more frequently.

Initially, there was little urgency for theaters to switch over. But *Avatar* acted as a(n) 7) \_\_\_\_\_ point to get the industry to transition. From that point on, the conversion process picked up 8) \_\_\_\_\_. Converting came with a host of benefits. The film era required the creation of costly physical copies of movies, limiting the number of times per day a theater could screen a hit movie. Film also posed logistical challenges: Each movie required several reels that were heavy and hard to 9) \_\_\_\_\_, and the process of switching between movies on a projector was time-consuming. Digitization has changed all that, making it 10) \_\_\_\_\_ to offer more movie variety to consumers.

## VI. Listening

### 1. Listen to the speech “Harry Potter by the Numbers” and choose the best answer to each question.

- 1) How many theaters across the country were opened for the last film of the Harry Potter series?  
A 4,357.  
B 4,375.  
C 3,547.  
D 3,457.
- 2) How much could the global box office for the whole Harry Potter series finally reach?  
A \$6.4 billion.  
B \$4.7 billion.  
C \$7.4 billion.  
D \$7.7 billion.
- 3) What is J.K. Rowling’s ranking on the list of world billionaires?  
A No. 1114.  
B No. 1440.  
C No. 1400.  
D No. 1140.
- 4) How many additional visitors went to the story-related theme park in Orlando in 2010?  
A 1,700,000.  
B 170,000.  
C 1,700,000,000.  
D 17,000,000.
- 5) On the new website of Rowling, there is an introduction of \_\_\_\_\_ words about new background information.  
A 80,000,000  
B 18,000,000  
C 18,000  
D 80,000

### 2. Listen to the speech again and complete the following summary with the information you get.

Unlike Daniel Radcliffe and Rupert Grint, who might need to struggle to reach their Harry

Potter earning 1) \_\_\_\_\_ again, Emma Watson is going to continue her luck with 2) \_\_\_\_\_ such as a recent deal with Lancôme to be one of its 3) \_\_\_\_\_.

Although the films and books are coming to an end, J.K. Rowling can still benefit from the Harry Potter 4) \_\_\_\_\_. For example, she has a share of the profit from the 5) \_\_\_\_\_ in Orlando and her new website will come online in 6) \_\_\_\_\_.

The features and services offered on the new website of Rowling include:

7) \_\_\_\_\_;

8) \_\_\_\_\_;

9) \_\_\_\_\_.

## VII. Writing

The digital transformation has reshaped China's filmmaking by bringing an opportunity to explore virtual production and laying a solid technological foundation for filmmaking. Virtual production uses a suite of software tools to combine live-action footage and computer graphics in real time. It also allows directors to see special effects beforehand, cuts production costs and improves efficiency. The entry threshold for film and special effects production will be lower for more artists. Virtual production has great potential in China with its record-high box office income and first-class Artificial Intelligence (AI) innovations and industry. However, there is a growing concern that over-dependence on new technology of virtual production and over-emphasis on special effects will distract Chinese films from creating and telling good stories.

What are the benefits of new technology in promoting Chinese films? In what situations could new technology harm the film business? What should Chinese film companies do to bridge new technology and Chinese culture and stories? Write a composition of approximately 300 words on the title "The Role of New Technology in the Chinese Film Industry."



# China's Investment in Silver Screen

### Notes:

**1. guru:** sb. who knows a lot about a particular subject and gives advice to other people  
权威, 专家

### 2. know-how:

(informal) knowledge, practical ability or skill to do sth.  
知识, 实用技能, 窍门

**3. MGM:** an American media company involved primarily in the production and distribution of films and television programs  
米高梅电影公司

### 4. China Film Group Corporation:

中国电影集团公司

**5. The Karate Kid:** an American martial arts film known as *The Kung Fu Dream* in China  
《功夫梦》

The movie tells a story about 13 women living alongside Qinhuai River in Nanjing who extricated their fellow countrymen from Japanese troops. But *The Flowers of War*, one of Chinese arts **guru**<sup>1</sup> Zhang Yimou's works, is not a purely Chinese creation. The dialogue is in English, the star is a Hollywood celebrity and the technical **know-how**<sup>2</sup> with which it is made comes from the U.S. film industry.

Bringing in Hollywood actors is not the only way forward for Chinese film companies who want to explore overseas markets. Chinese firms are now speeding up their internationalization and strengthening ties with their peers across the Pacific through direct investment in Hollywood, as the dream factory has seen financing from its home market drying up in recent years.

New Pictures Film Co., Ltd., the film-producing and distributing company, specializes in investing in the production of Zhang's movies, including *The Flowers of War*. It has been reported by Chinese media that it may now buy stakes in Metro-Goldwyn-Mayer Inc. (**MGM**<sup>3</sup>) after the Hollywood film studio giant filed for bankruptcy in early November because of its inability to repay its four-billion-dollar debt.

State-owned **China Film Group Corporation**<sup>4</sup> contributed five million dollars to help finance the remaking of the film *The Karate Kid*<sup>5</sup>, starring Jackie Chan and Jaden Smith, Hollywood movie star Will Smith's son. Mostly made in Beijing and produced by China Film and Sony's Columbia Pictures Industries Inc., the movie took receipts of more than \$356 million worldwide and China Film was given distribution rights for the movie in China and some other Asian countries in return for its investment.

"A good combination of Chinese and Western modes can be an

incentive to the development of the Chinese movie industry and will also give Chinese movies an international status,” China Film said.

On September 26, **Orange Sky Golden Harvest Ltd.**<sup>6</sup>, a Hong Kong-based film company, paid \$25 million for a 3.3 percent stake in Legendary Pictures, one of the largest film studios in the United States.

**Shanghai Film Group Co., Ltd.**<sup>7</sup> also acquired some cinemas in the east of the U.S., going abroad and choosing the biggest film market in the world as its first overseas development. “I have begun to negotiate with some companies in the east of the U.S. about the acquisition of their cinemas,” president of the company told *21st Century Business Herald*<sup>8</sup>, adding that acquiring cinemas in the international market provides business opportunities for Chinese film companies who plan to develop abroad.

China is now offering huge potential as a funding source for Hollywood, always a dream factory for movie fans across the world and powered by U.S. **moguls**<sup>9</sup>. “Chinese investors are very sophisticated and have been contemplating the kinds of investments they want to make,” *Bloomberg*<sup>10</sup> cited Charles Paul, a longtime Hollywood executive and an adviser to investment bank Centerview Partners. “Their activity may pick up as Chinese officials become more comfortable with the ways of Hollywood,” Paul added.

**PolyBona Film Distribution Co., Ltd.**<sup>11</sup>, one of China’s biggest private movie distributor-turned-movie studios, has filed for a **Nasdaq**<sup>12</sup> initial public offering seeking to raise \$80 million through the sale of its shares to U.S. investors, papers filed in New York show. “We will witness better development if we strengthen the cooperation with foreign film studios at a time when the Chinese film industry is growing at a staggering rate,” said president of PolyBona.

Chinese investors in the film industry are expecting a good return from their partnership with foreign film studios.

However, industry experts believe Chinese film companies should develop themselves more before offering huge capital just for a Hollywood ticket.

## **6. Orange Sky Golden Harvest Ltd.:**

橙天嘉禾娱乐（集团）有限公司

## **7. Shanghai Film Group Co., Ltd.:**

上海电影（集团）有限公司

## **8. 21st Century Business Herald:**

a leading business newspaper in China  
《21 世纪经济报道》

**9. mogul:** an important, rich and powerful businessman, especially one in the news, film or television industry  
大亨，富商

## **10. Bloomberg:**

*Bloomberg Businessweek*, a weekly business magazine  
《彭博商业周刊》

## **11. PolyBona Film Distribution Co., Ltd.:**

保利博纳电影发行有限公司

## **12. Nasdaq:**

纳斯达克股票交易市场

### 13. gross output

**value:** the total value of sales by producing enterprises (their turnover) in an accounting period (e.g. a quarter or a year), before subtracting the value of intermediate goods used up in production  
总产值

“At present, most Chinese companies are not strong enough to meet market demand from Hollywood, where U.S. film studios have their own operating rules including capital operations, profit models, the film production and industry chain, all of which are different from those in the Chinese market,” said vice general manager of New Film Association, one of China’s largest film distributors.

After news about MGM’s bankruptcy emerged, not only New Pictures Company, but also state-owned China Film and Huayi Brothers Media Corporation, were said to have bought a stake in the film studio as part of their efforts to enter the international film market. China Film is the largest film enterprise with a complete industry chain in the country and Huayi is the first listed film company in China. “None of these film companies was capable of acquiring all of MGM, because even the **gross output value**<sup>13</sup> of China’s film industry was not enough to pay the Hollywood studio’s total debt,” the manager said.

Over all, foreign blockbusters are believed to be a catalyst for China’s fast-growing box office receipts. James Cameron’s *Avatar* accounted for 18 percent of China’s total box office revenue for the first nine months of this year. “To be powerful in the international market, Chinese people should also make more of an investment in creating a storyline tailored to the tastes of global audiences instead of just the Chinese,” said Zhang Jiarui, director of *Distant Thunder*, one of the most popular films at the Hong Kong International Film Festival. “Our main focus is to improve the production and distribution of Chinese movies,” a spokesman for China Film said.

Constantly improving its technology and driving innovation, the Chinese film industry strives to establish itself as a global leader in the world of cinema.

# Exercises

## I. Speaking

### Negotiation

#### Situation

Approaching the release of the high-budget film *The Land of Heroes*, WD Studio, one of the world-renowned entertainment giants, is offering its film rental terms for U.S. theater owners who want to screen this potentially profitable movie. The studio has received an avalanche of complaints and criticisms from theater owners over the new conditions of its draft licensing agreement.

#### Task

Suppose that you are going to conduct a negotiation on new policies the studio wants to propose for its draft licensing agreement with theater owners who are to screen *The Land of Heroes*. Work in pairs, have a negotiation and work out a mutually acceptable agreement. Refer to the role information in the Role Cards as follows.

#### Role A: a representative from WD Studio

1. Express the strong confidence in *The Land of Heroes*' becoming a box office hit
2. Propose new terms for the draft licensing agreement including
  - preventing theater owners from splitting screens (screen splitting means a theater can book two movies on the same screen by, for example, alternating their showtime)
  - demanding that theaters stop matinee screenings of *The Land of Heroes* at 5:00 p.m. local time
  - setting the national average ticket price (currently \$10.12) as the minimum price on which it will split box office revenue with theaters
  - requesting 60% of box office receipts
3. Decide whether to agree or disagree to theaters' counterproposal

#### Role B: a representative from theater owners

1. Voice the deepest concern about financial burdens the new agreement is to impose on theaters
2. Justify your opposition by stating
  - theaters can book another movie to attract customers at specific times of the day, for example, an animated feature in the daytime
  - if theaters stop offering matinee discounts to patrons as early as 5:00 p.m., the number of customers in the daytime will drop significantly

- theaters in lower-income or low-priced areas that usually charge less than the national average ticket price won't make much money if they raise ticket prices
  - 60% is significantly higher than the traditionally agreed split ranging between 48% and 52%
3. Make a counterproposal by stating
- theaters are free from any contractual obstacles in the way of splitting screens
  - theaters are allowed to offer matinee discounts before 6:00 p.m. local time
  - the studio should be more flexible with small-market theaters by offering steep discounts, allowing them to charge less than the national average price
  - the studio pulls in 50% of box office receipts and theaters keep the remaining 50%

### Expression Bank

显示大获成功的迹象	show great promise
拥有令人惊叹的票房纪录	have an impressive box office record
解决关键分歧点	address the sticking point
实现利益最大化	maximize profits
一部电影即将下映时播放另一部电影	screen another film near the end of the run of one film
强行规定日场结束时间	dictate the matinee cutoff time
损害观影人的利益	hurt the interests of cinemagoers
依靠售卖爆米花和汽水赚钱	make money by selling popcorn and soda
提高票价以达到全国标准	raise ticket prices to meet a national standard
阻止影院提供折扣	discourage theaters from offering discounts
争取五个百分点的涨幅/降幅	seek a(n) increase/decrease of five percentage points
破坏相互之间的信任	undermine the mutual trust
导致纵向价格固定	lead to vertical price fixing
根据每个影院的具体情况修改条款	modify the terms on a theater-by-theater basis
恢复牢固而互利的关系	restore a strong and mutually beneficial relationship

## II. Writing

### Negotiation Plan

#### Situation

In the negotiation between WD Studio and theater owners, we tend to assume that WD Studio, which is financially successful, has the edge. More importantly, it has released one blockbuster movie after another in recent years and it seems to stand firm with its hardball negotiation tactics. But if theaters, a seemingly weaker negotiation party, have a strong BATNA (best

alternative to a negotiated agreement), they could come out on top.

### Task

**Step 1:** You are the chief negotiator representing theaters. Work in groups to make your own BATNA. Brainstorm and fill in blanks with the missing information.

#### An analysis of our BATNA

<i>How much do we need WD Studio?</i>	We expect WD Studio to bring in swarms of moviegoers.
<i>How much does WD Studio need us?</i>	
<i>What can we do without WD Studio?</i>	

**Step 2:** According to your BATNA analysis, write a negotiation plan on effective tactics to maximize your power. Your negotiation plan may include the following points:

- an analysis of your negotiating power based on your BATNA
- your three levels of negotiation targets, i.e. your desirable, acceptable and bottom targets
- your negotiation strategies and tactics

## Topic-Related Vocabulary

- |                          |         |
|--------------------------|---------|
| 1. digital film system   | 数字化影像系统 |
| 2. film studio           | 电影制片厂   |
| 3. big-budget filmmaking | 高成本电影制作 |
| 4. creative director     | 创意总监    |
| 5. film distribution     | 电影发行    |
| 6. capital operation     | 资本运营    |
| 7. profit model          | 盈利模式    |
| 8. advertising blitz     | 广告大战    |
| 9. computer animation    | 电脑动画    |
| 10. publicity campaign   | 宣传活动    |