

# China unleashes zombie films to boost the box office


 Matt Damon in *The Great Wall*

By Charles Clover and Sherry Fei Ju

For years, China's government has been waging a covert war against the undead. Thanks to obscure Communist party censorship guidelines that prohibit "promoting cults or superstition", foreign films featuring zombies, vampires, werewolves, mummies and ghosts have almost uniformly been banned by the censors.

Last year Sony Pictures' *Ghostbusters* was denied a release in the mainland, while *Train to Busan*, an acclaimed South Korean film about a zombie apocalypse, was not shown in Chinese theatres — but shot to popularity as a download.

But this year, the dead have had their revenge, at least in cinemas. First came the February release of post-apocalyptic thriller *Resident Evil: The Final Chapter*, which made RMD1 billion (USD145 million) in 13 days. Although Chinese censors cut seven minutes from the film, the wholesale machine-gunning of lurching zombies remained largely undisturbed.

The following month Fox International's *Logan*, in which decapitated heads and other body parts fly

liberally off the adamantine claws of the eponymous mutant, was also released in China to the surprise of many in the film industry.

*Pirates of the Caribbean: Dead Men Tell No Tales*, featuring a ghost ship captained by a skeletal Javier Bardem, is set to be released simultaneously in the US and China tomorrow. Its showing at Disney's Shanghai resort on May 11 was the first time a Hollywood film premiered in mainland China.

**After years of vertiginous growth, China's box office is in danger of slipping this year**

"Historically, hardly any zombie or ghost movies have been allowed in, and ultraviolence like *Logan* has been a no-go area," says Richard Huang, an analyst at Nomura in Hong Kong. But since the start of this year "they have been tak-

ing a more relaxed approach when it comes to censorship" of foreign films, he adds.

The reason is clear to many in the industry: after years of vertiginous growth, China's box office is in danger of slipping this year for the first time since the 1990s. Censorship rules have discreetly been widened to boost movie revenues and prevent this from happening.

Almost four decades of economic reforms in China have been accompanied by a persistent question — would the market change China, or would the Chinese political system tame the market? The zombie films are striking a blow for market forces.

The relaxation of the limits on foreign films in China points to the subtle power of the profit motive to open up China's notoriously closed entertainment sector to more foreign movies and to a wider range of subject matter. But it has also spawned introspection about the failure to produce hits by the domestic film industry, which once produced such greats as *Farewell My Concubine* and *Raise the Red Lantern*.

"It is quite obvious for this year, the government wants the movie market to do better, they want to

see faster box office growth, even though they haven't publicly said this," says Mr Huang.

China's booming film demand was once expected to overtake the US as early as this year. But after expanding at double-digit rates every year since 1999, growth in domestic cinema revenues skidded almost to a halt last year, hit by a slowing economy and a dearth of hit movies. China's annual box-office sales in 2016 rose just 3 percent year on year compared with 49 percent in 2015.

Then came another shock: a 7 percent drop in China's first-quarter film revenues, to RMB13.6 billion (\$2 billion), raising the prospect of a potential full-year fall in the country's box office takings.

Film industry specialists mainly blame a surge of investment into the entertainment industry, as companies from across the country have tried to chase the booming box office. "There has been a crazy burst of non-film related capital into the film industry, combined with an under-developed content creating system. That has created a massive bubble," says Hou Zhihui, a Chinese film producer.

The boom in the movie sector has

been accentuated by weak growth in China's traditional industries. Over the past two years many rust-belt industries, anxious to boost sagging share prices, simply added the word "entertainment" to their names or bought a film studio to change their profile with investors, often with success.

Last year Anhui Xinke New Materials, a copper processing company, tried to buy the Hollywood production studio that made Oscar-winning film *The Hurt Locker* but the deal fell apart due to constraints on Chinese capital outflows. Zhejiang Jinke Peroxides, a chemical group that bought a gaming company and renamed itself Zhejiang Jinke Entertainment, saw its share price shoot up 70 percent last August after the name change.

Money has also been injected into the sector by internet companies targeting market share in online ticket sales, which have subsidised seat prices by RMB4 billion to 5 billion a year, according to the Beijing consultancy iResearch. Theatre construction has surged and the number of movie screens in China increased by 9,552 last year — a figure that is more than twice the total number of screens in the UK.

While domestic film production, funded by a horde of Chinese investors, nearly doubled from 2012 to 2016 last year according to Ent-Group, the quality is debatable. "A great number of investors barely know anything about the movie industry," says Mr Hou.

A series of big budget domestic films took a drubbing in China last year. The Second World War epic *For a Few Bullets* did not recoup its RMB100 million production budget, and the acclaimed *Xuanzang*, about a Tang dynasty monk, was also a big budget failure, making only RMB33 million of a RMB100 million budget.

Meanwhile, the Chinese film with the biggest-ever budget, *The Great Wall*, starring Matt Damon, made its \$150 million production cost back but was panned by critics and failed to generate much interest abroad.

"We think it did not reach our expectations either in terms of content or the box office," says Wang Jianlin, chairman of Dalian Wanda, the real estate and entertainment group that is the largest cinema owner in China, of the film Wanda co-produced. Since 2012 Wanda has invested heavily in entertainment: last year it bought Hollywood studio Legendary Entertainment for



China unleashes zombie films to boost the box office (continued)



A Chinese moviegoer walks into the Wanda Cinema at the Wanda Group building in Beijing

\$3.5 billion.

Mr Wang says the tidal wave of money, for which Wanda is partly responsible, has hurt the industry rather than making it better. "During the bubble, the industry ignored the content, thinking that no matter what, people will go to watch the movies," he says. "In the end people realised that the content is lacking and viewers have stayed away. Now a lot of capital withdrew again and things have become more normal."

With domestic film studios in disarray, Lei Ming, chief executive of ABD Entertainment, a digital entertainment company in Beijing, says that if China's box office is saved this year, it will be by foreign films. "The market still has a strong demand for Hollywood blockbusters, while domestic movies are very weak this year," he adds.

Some analysts expect the annual quota of 34 foreign films allowed into China to be quietly widened this year. Based on the screening schedule, it appears that the tradition of "Domestic Film Protection Month" in July to August, where only domestic films are screened, will not take place this year.

Mr Huang of Nomura points to other subtle changes in box office accounting designed to add a few percentage points to film revenues: transaction fees collected by online ticket platforms previously were not counted, but now they are, he says. A government campaign against creative accounting by theatres, to prevent them from hiding revenues and thus pay fewer royalties, is also in full swing. Experts expect these measures to add a "few billion" in renminbi to the 2017 box office, says one expert.

With domestic film studios in disarray, some in the industry say that if China's box office is saved this year, it will be by foreign films

But the main way to boost box offices seems to be to allow more foreign blockbuster films. And while China may be in the process of bending its rules to accommodate Hollywood, the US film industry has been only too happy to reciprocate. A number of recent US movies have Chinese storylines built into their plots to woo Beijing's regulators and audiences. In the 2014 Michael Bay robot extravaganza Transformers: Age of Extinction, the Communist party

was compared favourably with a bumbling, inept US government, while in the 2015 Ridley Scott epic The Martian, China's space programme saves the day for an astronaut marooned on Mars.

The approach of courting Chinese audiences is working. "It's funny, we know that foreign film makers are just trying to pander to us and sell to us. But we like it anyway," says Jennifer Dong of Meridian Entertainment in Beijing. "It makes us happy that we get to be the saviours of the world in film after film."

"What sells in China are big budget sci-fi and horror films — concept films," as Ms Dong calls them. "They are a well-trying formula. You have a monster, or some aliens, a few Chinese actors and some Chinese elements."

While Hollywood is benefiting from a momentary Chinese glasnost, Mr Hou says Chinese filmmakers are burdened by more onerous restrictions and ideological guidelines. "The sole topic among filmmakers, screen writers, producers and everybody else in domestic film making is how to get films to pass examination and censorship from regulators. Nobody cares about the creative side of the industry," he says.

A new film law governing the in-

dustry came into effect this spring. It bans film content deemed harmful to the "dignity, honour and interests" of the country. It also encourages the promotion of "socialist core values" in film.

The government has also stepped in to temper some of the excesses, clamping down on irrational foreign investments by Chinese companies that have focused on the entertainment sector. Mr Wang's Dalian Wanda, for example, was prevented by regulators from buying Dick Clark Productions, a US TV production company, for \$1 billion, while other deals have also fallen apart.

The Chinese authorities seem to think they can save the domestic film industry using the same heavy-handed tools. Rather than trying to help it improve, the government has simply put pressure on critics to be more "patriotic" and not to criticise Chinese domestic films.

In December several state newspapers launched a co-ordinated attack on China's film websites, alleging that movie rating algorithms based on user reviews were unfair to domestic films. The People's Daily said negative reviews of Chinese films were "grossly inaccurate" and made clear that ratings should rise. They did.

One film review website, Maoyan, deleted the portion of its platform that assigns ratings to films, apparently under pressure from the government.

In this respect, China's government seems to have learnt the lesson that the answer to problems caused by censorship is simple — more censorship.

Cultural gap: In search of a successful co-production

Hollywood franchises such as The Fast and the Furious and Transformers have been huge commercial successes in China, straddling the Pacific with simple storylines, adrenalin-pumping stunts and lots of special effects, but the magic formula does not appear to work in reverse.

US-China co-productions — many filmed in China but aimed at domestic and foreign audiences — are rarely commercial successes. The Great Wall, a Matt Damon vehicle co-produced by Dalian Wanda's US studio Legendary Entertainment and other US and Chinese companies, recouped its USD150 million production budget but failed to meet revenue expectations. Dalian Wanda chairman Wang Jianlin was less than charitable about the film.

But fuelled by an influx of investment into China's film sector, Hollywood and China are still searching for the holy grail of the successful co-production: Xinhua

news agency reported in April that, of 700 Chinese films produced in 2016, 73 were Chinese-foreign co-productions with 14 other countries.

Co-productions are seen as a way to get around quotas on foreign films, but they are also a potentially lucrative way to straddle Chinese and US markets. Commercially, they are still mainly disappointments. According to EntGroup, the Beijing-based entertainment consultancy, most joint productions lost money in 2016. Rock Dog, an animated comedy produced by Huayi Brothers Media Group and DreamWorks at a cost of RMB410 million (\$60 million), grossed only \$20 million worldwide.

Jennifer Dong of Meridian Entertainment, another Beijing consultancy, says that while Hollywood blockbusters seem to translate from one culture to another, more subtle genres do not. "There has never been a successful foreign comedy here in China. It's just that the humour does not translate."



# Myanmar, having warmed to the West, turns to China again



Myanmar State Counsellor Aung San Suu Kyi (left) talks with Chinese Premier Li Keqiang during a signing ceremony between the two countries at the Great Hall of the People

By **Matthew Pennington**  
in Washington

**M**YANMAR was supposed to turn away from China and toward the West when the United States helped the Southeast Asian country make the transition to a civilian government after five decades of military rule.

The opposite is happening: The new government is failing to attract Western investment and Beijing is on a charm offensive. China is offering economic and political support and a relationship free of the human rights concerns straining Myanmar's ties elsewhere.

Myanmar, also known as Burma, was a foreign policy success for President Barack Obama. He helped coax its powerful generals into ceding power by normalizing diplomatic relations and rolling back years of economic penalties, paving the way for Nobel peace laureate Aung San Suu Kyi to take power after winning elections.

Suu Kyi's historic struggle for democracy still evokes deep respect in Washington and Europe, but running a civilian government for the past 14 months has exposed her inability to bring peace to a country riven by ethnic conflict. She also has struggled to produce economic growth,

hobbled by a lack of control over the nation's still powerful military and a rigid management style.

Finding less love among the Western democracies, Suu Kyi is cautiously embracing closer ties to China.

"Amid the unpredictable challenges of this democratic transition, Western influence on Burma is waning, while Beijing is becoming more assertive," Myanmar's Irrawaddy news website said in an editorial.

Recent weeks have seen a flurry of China-Myanmar engagement. Suu Kyi met Chinese leader Xi Jinping at a Beijing summit in mid-May, her second visit there in the past year. Earlier, Myanmar's titular president, Htin Kyaw, received a six-day state visit. Suu Kyi's trip ended with an agreement with China to create an economic cooperation zone as part of the Asian giant's "Belt and Road" initiative to connect with Asian and European markets.

Last weekend, Myanmar's Navy held drills with Chinese warships. China's state-run Global Times said the military cooperation demonstrated "political trust."

That trust was expected to develop between Suu Kyi and the U.S.-led West.

Myanmar's enduring fear of being dominated by its much larger neighbor, China, was

one reason it improved ties with the United States in the first place. The Obama administration seized the opportunity while trying to "pivot" American foreign policy focus to Asia, hoping deeper relationships with its booming economies would provide the U.S. long-term strategic and economic advantages.

Derek Mitchell, the former U.S. ambassador who spearheaded Obama's Myanmar rapprochement, said China was "stunned" when the country reached out to the West between 2011 and 2015. China is now making up for lost time, and capitalizing on President Donald Trump's reduced attention for Myanmar, he said.

"It gave an opportunity for China to say, 'See we're on your border and we're here to stay. You can't count on the Americans,'" Mitchell said.

Katina Adams, a State Department spokeswoman for East Asia, said the U.S. remains committed to consolidating democracy in Myanmar and is helping the government address many inherited challenges, including the disproportionate role of the military in the economy and the need for responsible investment.

Trump has started to reach out to Southeast Asian leaders, praising Philippines' president Rodrigo Duterte for

his deadly war on drugs and inviting him and Thailand's prime minister, who took power in a coup, to the White House. In the coming week, Trump is hosting communist Vietnam's prime minister.

Trump has yet to speak with Suu Kyi.

**Western influence on Burma is waning, while Beijing is becoming more assertive.**

IRRAWADDY NEWS WEBSITE EDITORIAL

For two decades, while Myanmar was under military rule, U.S. administrations and influential lawmakers adored Suu Kyi. Obama helped her transformation from political prisoner to national leader, fostering democracy on China's doorstep. Republicans and Democrats promoted the change as a victory for U.S. interests and values.

China, which sees Myanmar as a land bridge to the Indian Ocean, saw a strategic setback.

Yun Sun, a China expert at the Stimson Center in Washington, said Chinese policy experts even characterized it with a proverb: "The cooked duck flew out of the window."

She said the proverb's meaning is clear: "Myanmar was already in our pockets but somehow the Americans stole it from us."

But Trump may have little political incentive now to prioritize U.S. ties with Myanmar. "What are left now are the problems," Sun added. Those problems include:

**Sluggish economic growth** — Washington has increased foreign aid and encouraged American investors last September by lifting the remaining economic sanctions other than on arms sales. But the moves haven't spurred economic activity in one of Asia's last untapped markets.

Myanmar ranks 170th out of 190 nations in the World Bank's ease-of-doing-business rankings, and third-worst globally for contract enforcement. Foreign investment dropped almost a third between April 2016 and April 2017, according to Myanmar government figures, with no new U.S. projects.

**Human rights** — Western nations in March backed a U.N. fact-finding mission on reported atrocities against Myanmar's downtrodden Rohingya Muslims. Suu Kyi opposed the idea, tarnishing her international reputation.

**Ethnic conflict** — Suu Kyi has prioritized resolving Myanmar's decades-long wars between the army and ethnic rebels, with little success. She tried again this week, bringing rebel groups together for talks with the government and military. China has leverage with rebels near its border and says it supports peace. Resolution, however, hinges on Myanmar's willingness to cede power to minorities and facilitate greater federalism.

On economic development, China faces wary Burmese citizens. Chinese projects have uprooted villagers and hurt the environment, factors that led Myanmar in 2011 to suspend a USD3.6 billion dam primarily funded by Chinese energy interests. The suspension remains a sore point.

Mitchell, the former Obama envoy, warned of a larger strategic setback for the U.S.

Failing to consolidate Myanmar's transition would tell the region's autocratic governments they were right, he said, that "democracy doesn't work in Asia." **AP**



# White House adviser differs with coal-loving president



A coal power plant

By Matthew Daly in Washington

**T**HE president's chief economic adviser is casting doubt on the future of U.S. coal, saying it "doesn't really make that much sense anymore as a feedstock," directly contradicting President Donald Trump's

repeated promises to revive the struggling coal industry.

Briefing reporters last week night on Air Force One, Gary Cohn singled out natural gas as "such a cleaner fuel." By exporting more natural gas and investing in wind and solar energy, the U.S. "can be a ma-

nufacturing powerhouse and still be environmentally friendly," Cohn said.

Cohn's comments were at odds with his boss, who campaigned as coal's champion and decried what he and other Republicans called a "war on coal" by former President Barack Obama.

As president, Trump has unraveled a number of Obama-era energy restrictions, including a landmark plan to restrict climate-changing emissions from coal-fired power plants. Trump also has reversed an Obama plan to prevent coal mining debris from being dumped into nearby streams and lifted a moratorium on coal-mining leases on federal lands.

Sen. Joe Manchin, D-W.Va., a longtime coal advocate, said he was taken aback by Cohn's remarks, which sounded more in line with the Obama administration than Trump.

"I completely disagree with his statement," Manchin said, adding that he plans to meet with Cohn "to explain the role that coal has and will continue to play in making this country great."

Melinda Pierce, legislative director for the Sierra Club, the nation's largest environmental group, said Cohn's comments

were accurate.

"Coal is increasingly not competitive as the market, the international community and public opinion reject this dirty fossil fuel that makes our families sick, pollutes our air and water and threatens our climate," Pierce said.

"The Trump administration's policies are completely at odds with these facts and need to catch up to reality instead of putting polluter profits ahead of the health of our communities," she said.

That's unlikely to happen.

Throughout the presidential campaign, Trump railed against the Obama administration policies as he campaigned in economically depressed swaths of states like West Virginia, Pennsylvania and Ohio. Trump won all three states and swept eight of the top nine coal-producing states.

The New York billionaire has frequently celebrated his popularity in coal country.

At a ceremony in March, Trump was flanked on stage by more than a dozen coal miners as he signed an executive order that eliminated a host of Obama-era restrictions on fossil fuels, breaking with leaders across the globe who have em-

braced cleaner energy sources.

"That is what this is all about: bringing back our jobs, bringing back our dreams and making America wealthy again," Trump said.

The miners "told me about the efforts to shut down their mines, their communities and their very way of life. I made them this promise: We will put our miners back to work," Trump said. "My administration is putting an end to the war on coal."

Trump's promise runs counter to market forces, including U.S. utilities that have converted coal-fired power plants to cheaper, cleaner-burning natural gas. Democrats, environmental groups and scientists said Trump's executive order ignores the realities of climate change.

While Republicans have blamed Obama-era environmental regulations for the loss of coal jobs, federal data shows that U.S. mines have been shedding jobs for decades amid increasing automation and steep competition from natural gas.

Another factor is the plummeting cost of solar panels and wind turbines, which now can produce emissions-free electricity cheaper than burning coal.

According to an Energy Department analysis released in January, coal mining now accounts for fewer than 75,000 U.S. jobs. By contrast, renewable energy — including wind, solar and biofuels — accounts for more than 650,000 U.S. jobs. **AP**

## ASK THE VET

by Dr Ruan Du Toit Bester



### 5 CAUSES OF PUPPY SNEEZING

**P**UPPY sneezing may be a symptom of allergies or a respiratory infection. Usually sneezing is not a serious medical condition, and can be treated or go away without medication. Make sure you notice any additional symptoms, so as to be able to pinpoint the real cause behind the sneezing.

#### 1. Respiratory diseases

Dogs can get respiratory illnesses. Colds and sinus infections are common in puppies. Parainfluenza and the Adenovirus are frequent causes of sneezing in puppies.

A respiratory infection may also cause other symptoms such as:

- Swollen eyes
- Inflamed lymphatic glands
- Mucus in excess
- Coughing
- Breathing difficulties
- Lethargy

Puppies that have been in contact with a shelter environment may often display kennel cough syndrome, which will be accompanied by symptoms such as sneezing.

If the dog has a bacterial, viral or fungal infection of the nose, sneezing is common. These infections may beco-

me chronic, if you fail to treat them.

#### 2. Foreign bodies

If your puppy has a foreign object stuck in the nasal cavity, he may sneeze frequently, as he will try to get the object out of his nose. The puppy may sneeze blood if the object has injured his nasal cavity or the pharynx.

However, the object may block the nasal cavity, so you need to go to the vet immediately.

The vet can extract the foreign object. If the object is too large, surgery may be needed. Anti-inflammatory medication may be prescribed, and the puppy is likely to have a fast recovery.

#### 3. Allergies

Puppies can be allergic to different environmental factors, including:

- Pollens
- Dust
- Grains
- Mold
- Smoke
- Inhaled fibers
- Grass
- Household products or chemicals

Sneezing occurs as a natural response of the body trying to eliminate the

source of irritation from the nose or pharynx.

Other symptoms will include nasal discharge, skin irritations, itchiness and hair loss.

Some allergies are seasonal, depending on the source.

Dogs typically develop allergies after the age of 2, but there are cases of puppies that are allergic.

Sneezing caused by allergies can be treated by administering medication. The treatment will consist of antihistamines, steroids or allergy shots.

#### 4. Tooth infection

Tooth infections may cause frequent sneezing in puppies. Check your puppy's mouth for foul odor, swollen gums or pus pockets.

Tooth infections are rare in puppies, but can be present.

#### 5. Tumors

Tumors can also cause sneezing. However, puppies are very unlikely to have tumors at such a young age.

If your dog sneezes often and he expels blood, take him to the vet to rule out tumors. Some x-rays of the sinuses will be needed.



Remember that a bleeding nose is always a reason for concern in puppies.

A puppy sneezing on occasion is normal, but if the sneezing is frequent, you need to detect the cause.

Some puppy breeds with flat noses will sneeze more frequently, due to the anatomy of the nose.

Hope this info helps  
Till next week  
Dr Ruan

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