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# The Reform, Opening-up and Development of China's Radio and Television System

Yong Huang, State Administration of Film, Radio and Television (SARFT), China.

Economic reforms and the opening-up process have been underway in China for 30 years. With the advancement of China's society and economy as well as the construction of modernization, the Radio and Television industry is also developing rapidly and undergoing profound reform. The development, changes and achievements of China's Radio and Television system can be summed up in the following five points:

## 1. Promotion of Radio and Television productivity.

From the outset of the reform and opening-up process until the end of 2007, the annual production of radio programs increased from 200,000 to 6.33 million hours, while the output of television program productions rose from 38,000 to 2.55 million hours (+66.1%). Radio programs broadcast annually reached 11.27 million hours (+8.9%) while that of television programs rose from 400,000 to 14.54 million hours, registering a rise of 35%. Meanwhile, the overall coverage of Radio and Television in terms of population grew from 68.3% and 68.4% to 95.43% and 96.58% respectively, up 39.72% and 41.2%. Currently, the number of cable television users stands at 153 million households, almost one third of the total number of families in China.

## 2. Technological advances in the Radio and Television system; the modernization of communication is on the horizon.

China's Radio and Television transmission and coverage system has now been supplemented with cable, wireless and satellite transmission. Analog television is scheduled to be switched off by

2015. Radio and Television media at national and provincial/municipal level have almost achieved full digitalization of program production and broadcasting. The digitalization of cable television has been accomplished in more than 50 large and medium sized cities. Digital TV reaches almost 40 million families. Digital Audio Broadcasting (DAB) is being experimented in large cities like Beijing, Shanghai, Guangzhou and Dalian. High definition and standard definition territorial digital television have been formally used in large cities like Beijing, Shanghai and Shenzhen. Satellite transmission has been fully digitalized and Direct Broadcasting Satellite (DBS) has been launched. Following successful experiments, China Mobile Multimedia Broadcasting (CMMB), the home-grown standard, has been put in practice. Internet television broadcasting, Handheld Digital Video Broadcasting and IP TV are also being developed.

## 3. Progress in the construction of the Radio and Television system in rural areas.

The State has launched two projects to expand Radio and Television coverage to remote rural areas in the west: "Project to extend Radio and Television broadcasting coverage to every village" and the "Tibet-Xinjiang Project". Over the last ten years RMB25 billion (€2.87 billion, at current rates) have been invested in the two projects that have allowed more than 100 million residents in rural and remote areas to access Radio and Television.

## 4. A quantum leap for the Radio and Television industry.

Commercial advertising appeared on Radio and Television in China for the first time in 1979.

The Radio and Television industry is now prosperous with a thriving advertising industry, cable network industry, content industry, digital television industry and new media industry. At the end of 2007 revenue from these segments of the Radio and Television industry reached RMB112.9 billion (€12.88 billion, at current rates), accounting for 85.8% of the industry's total revenue.

5. The reform of the Radio and Television system continues; a new Radio and Television system, adaptable to the reform, opening-up process and market economy, is being created.

Under the 30-year reform and opening-up policy the Radio and Television industry has undergone profound changes that envisage the following steps: the emergence of Radio and Television operated by governments on four levels (national, provincial/municipal, city and county); separation of the cable television network from stations and network integration; transformation of profit-making public institutions into enterprises; organization of Radio and Television corporations; functional transformation of government sectors and separation of supervision from management; experimental separation of program production from broadcasting, etc.

Despite the many achievements, China still faces a number of difficulties and problems:

i. the productivity of the broadcasting industry is not fully developed: the currently available content and service of Radio and Television fails to adapt to the increasing spiritual and cultural demands of the population.

ii. development is not balanced between urban and rural areas, regions, public institutions and indus-

tries, and between the construction of hardware and software.

iii. structural inconsistency is obvious: numbers and scales are over-emphasized while improvements in connotation and quality are ignored; resources such as channels and frequencies are not logically allocated: urban areas are advantaged while rural areas are seriously lacking in channels, frequencies and content; the industry is overly dependent on the advertising and cable network industry while the content industry, digital television industry and new media industry are lagging behind in the development process.

iv. the management system is not consonant: legislation is failing to keep pace with development, leading to an incomplete legal and regulatory system; management based on laws and regulations is not fully implemented.

For its future development, China's Radio and Television will follow the guidelines of the "Scientific Outlook on Development", will uphold the human-orientation principle, serving the state's overall objective and the people, and will achieve all round, sustainable and harmonious growth. The strategic tasks will be:

A. Content innovation to improve the core competence of Radio and Television.

It is essential to innovate the operative system of Radio and Television media, integrate resources and improve the productivity and quality of programs. Steady transition towards separation between production and broadcasting will be sustained, and market mechanisms will be adopted to promote and develop program productivity and content. Emergency mechanisms will be established and per-

ected in the case of emergencies, important news reports and press releases.

B. Equality of the public service; further development of the public Radio and Television service in rural areas

It is important to promote the construction of Radio and Television infrastructure in rural areas, to expand channel and frequency resources and to make content available to rural areas in order to further the harmonious development of Radio and Television between rural and urban areas, and between different regions.

C. Implementation of a modern Radio and Television broadcasting system

Firstly, upgrading the Radio and Television technological system will be accelerated to keep abreast with the developments of modern information. Major efforts will be required to digitalize cable television to be able to offer a digital cable television network with two-bound transmission, high capacity, and a multifunction nature. Secondly, the digitalization of territorial Radio and Television must be actively promoted in order to gradually build a digital Territorial Radio and Television network and develop territorial digital high definition television. Thirdly, by adopting advanced technology such as modern information systems and the Internet, China will construct a next generation network aimed at promoting the development of new business and the convergence of the three networks: Telecommunications, Cable and Computer.

D. Media convergence strategy; promotion of harmonious development of traditional Radio and Television media and new media

New audio and video media such as Internet Radio and Television, mobile Radio and Television and IP television will be actively

developed with the aim of promoting cooperation between different media, alliances and cooperation between media of similar systems, and business convergence and cooperation between the "three networks". The advantages of mainstream Radio and Television will be focused on to renew the media industry, innovate media brands and expand media coverage and the market, leading to a new phase of convergence between traditional Radio and Television media and new media.

E. Institution innovation strategy

The reform of the Radio and Television system will be continuously pursued and we will gradually establish a new Radio and Television system suited to a socialist market economy and digitalization. To pursue this objective it will be necessary to establish: 1. a public service system, clearly defining the players, content and methods of the public service; 2. an industry operation system, optimizing industry patterns, structures and breeds and foster market players; 3. a government regulatory system that defines the players and the function of regulation, improving regulatory tools and strengthening the legal system; 4. an active social service system, integrating existing Radio and Television social organizations and associations, coordinating the relationship between social organizations and the government, and strengthening the function of social organizations in terms of industry service and self-regulation.

F. Talents initiating business strategies to build a highly qualified Radio and Television intellectual team

The principle that "talent is the primary resource" will be introduced; this means that the creation of a Radio and Television intellectual team will be planned and implemented in the mid and long term. Scientific, dynamic person-

nel mechanisms, wage incentive mechanisms based on merit and effectiveness and modern human resources management mechanisms will be encouraged.

The Radio and Television industry in China is currently at a crucial stage of integral transformation. Four aspects of this transformation are:

1. technological transformation - from analog to digital;
2. function transformation - attention to both public institutions and industry, and to both public service and market service;
3. industry status transformation - traditional media and new media merging and developing together;
4. system transformation - strengthening the system reform and building a Radio and Television system of a new kind suited to a market economy and digital technology.

This transformation will probably be completed by around 2020. During this crucial period the Radio and Television industries and personnel involved will explore and pioneer a characteristic Chinese way of developing Radio and Television.

Prof. Yong Huang is Deputy Editor-in-Chief of State Administration of Radio, Film and Television (SARFT) and Director of the Research Center of Development, SARFT. This is an abstract of the speech given by Prof. Yong Huang at the "Create in China" conference held on 22nd October, 2008, in London.

## A Study of Electronic Publishing Industries in China

Vicki Chihshuan Chiu, School of Creative Industries, Queensland University of Technology, Australia.

According to article two of "The Regulations of Electronic Publishing Management", issued by the General Administration of Press and Publication (GAPP) on 1 January 1998, electronic publishing is defined as the mass media that adopts digital technology to copy and distribute information such as texts, figures, photos, and audio and video materials, to express thoughts, popularize knowledge and accumulate culture. Media formats include Floppy Disk (FD), Compact Disk-Read-Only-Memory (CD-ROM), Compact Disc Interactive (CD-I), Photo-CD, Digital Versatile Disc-Read-Only-Memory (DVD-ROM), IC-Card and other GAPP approved formats. However, Chinese scholars and officials sometimes extend the scope of electronic publishing to other Internet activities, broadening the general definition. For example, the "2006 Annual Report of Chinese Electronic Publishing Industries" included online games and blogs in electronic publishing (Li 2007,2).

Chinese electronic publishing industries have achieved several critical milestones. The early icon of e-publishing in China was "peoplespace" which embraced [www.people.com.cn](http://www.people.com.cn), and [www.bookoo.com.cn](http://www.bookoo.com.cn). In 2001, Beijing Founder Apabi Technology Limited designed the first self-developed software Apabi Reader and other Internet solutions to explore new possibilities in the Chinese market. China Intellectual Property Publishing House launched the first 'publishing on demand' e-book on 16 April 2004. The Chinese Institute of Publishing Science (CIPS) set up the DigiBook Research Centre in 2005. The China Publishing Group established Digital Media Limited

Ltd. on 22 April 2008. The General Administration of Press and Publication (GAPP) and Shanghai government set up the first and only national digital publishing station in Zhangjiang on 16 July 2008.

Electronic publishing has been fully supported by the Chinese government. For example, both 'The 11th Five-Year Guidelines (2006-2010)' and the 'Major High-tech Projects Planned for 2006-2010', issued in 2006 by the Chinese government, supported the official promotion of digital publishing. These plans include building digital multi-media infrastructure, creating an integrated national digital publishing system, developing a Chinese characters system, setting up a national knowledge resources database, developing a national animation development project, an ancient book digitalization project, a national copyright protection development project, and a digital cultural communication project.

At the '2007 International Copyright Forum' Yan Xiaohong, Vice-Director of GAPP, reported that the overall income of e-publishing industries was \$US 2.93 billion (€2.3 billion). In 2006 Internet journals accounted for \$US 73.2 million (€57.3 million); e-books for \$US 21.9 million (€17.1 million); online games for \$US 0.95 billion (€0.74 billion); web advertising for \$US 0.73 billion (€0.58 billion); online music for \$US 17.5 million (€13.7 million); and mobile phone content for \$US 1.17 billion (€0.91 billion).million) to 16 Chinese game companies until 2008 (Economic Examiner, 2005). Since the new policies were enforced Korean games have gradually lost their

market share on mainland China (they used to account for 80% of the total market).

Analysis of the growth rate of electronic publishing shows that sales volumes of e-books in 2007 increased 23.6% over 2006. According to the statistics of the China Book Business Report (2008), there are over 500 publishing houses with an e-book business in China. The number of e-books in China reached 400,000 at the end of 2007. Moreover, e-magazines had 40 million users and mobile publishing 30 million users at the end of 2007 (Cui 2008,18).

Chinese electronic publishing industries have four distinctive characteristics:

1) the concentration of digital publishing industries is high compared to other industries. The top four e-book companies (Beijing Founder Apabi Technology Limited, Sursen, Ssreader, ChineseAll) produce over 90% of all e-books. In addition, the China National Knowledge Infrastructure (CNKI), Wanfang Data, Cqvip and Qikan have a market share of electronic academic journals of more 90%. The main clients of e-books and academic journals in China are still institutions, such as schools (e.g. primary schools, junior schools and universities), public libraries, education website companies and business units. The total sales income from e-books of the top ten publishing houses has reached \$US 0.59 million (€0.46 million). Although the amount is not significant, the cost of e-books is much lower than that of traditional printed books. Therefore, the income from e-books can be regarded as 'approximate net profit' (China Book Business Report, 2008).

2) The electronic publishing formats in China are varied. Except for two international stan-

dards (PDF and XML), several e-publishing software applications have been self-developed in China, such as the Beijing Founder Apabi Technology Limited's Apabi Reader, Ssreader's PDG and CNKI's CAJ.

3) Integration with mobile phones and multi-platform e-book machines such as Nokia, Dopod and Konka is well established in China (China Book Business Report 2008,3). Third generation (3G) mobile phones that feature multimedia, personal and high interaction in broadband results in the mobile value-added system. China Mobile (Monternet) and China Unicom are the two biggest mobile phone value-added service providers. The first mobile phone newspaper 'Chinese Woman News' was launched on 18 July 2004. Then came the first mobile phone novel 'Outside of the Wall', which totaled 4200 words and was divided into 60 chapters for distribution to cell phone users in 2004.

4) The demand for e-publishing in China is huge but is not satisfied. According to 'The Statistics of Chinese Internet Development' (China Book Business Report 2008), citizens pointed out that e-book content is the top unsatisfied item of Internet activities in six continuous investigations.

To sum up, with the full support of the Chinese government, electronic publishing industries are developing rapidly in China. The concentration of Chinese digital publishing firms is high compared to other industries. E-publishing formats and integration with mobile phones and multi-platform e-book machines are varied. Furthermore, the demand for e-publishing in China is huge but not satisfied.

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Vicki Chihshuan Chiu is a PhD candidate at the Creative Industries Faculty, Queensland University of Technology Australia and is researching the relationship between entrepreneurship, strategies and guanxi, particular in Pan-Chinese areas. Vicki's project is titled "A Study of Entrepreneurship: Taiwanese Digital Content Companies in China". Her scholarly interests focus on entrepreneurship, innovation, marketing, popular culture, and other mass communication management related fields. For contacts: [chchiu223@gmail.com](mailto:chchiu223@gmail.com).



## **CHINESE MEDIA AT A GLANCE: NEWS FROM CHINA**

China Media Observatory, Lugano.

### **Italian RCS Media Group in China**

In 2007 the RCS Media Group and the publishing house Bamboo M. signed an important partnership agreement for the development in China of an architecture and interior design publishing centre. In September 2008 the Group signed a deal with Sina, the biggest Chinese portal, to create a new multimedia and interactive website focused on design and lifestyle.

Matteo Novello, RCS Periodici's CEO, said, "The agreement between Sina and RCS Periodici allows the Italian publishing industry and advertisers to enter one of the most interesting and growing markets." The partnership between the Groups, established through the joint venture Rizzoli Beijing adv Co., authorized by the Chinese Authorities, will produce and distribute the Chinese editions of the Italian periodicals *Case da Abitare* (starting from October 2008), *Abitare* and the website *AtCasa*."

*Source: RCS Media Group, September 2008.*

### **108 Chinese Publishers Attend the 2008 Frankfurt Book Fair**

A total of 108 Chinese publishers sent 234 staff members to the 2008 Frankfurt Book Fair, according to the China Press and Publishing Journal. Mainland publishers exhibited more than 5,300 titles at this year's fair, which was held in Germany from October 15 to 19. University publishers, children's publishers and other specialist publishing houses occupied more than 604 square metres of

exhibition space.

Chinese publishers signed around RMB257.3 million (€29.36 million) of licensing deals to give foreign publishers the rights to publish around 1,092 mainland titles overseas, according to preliminary figures from the China Exhibition Group. They also signed around RMB45.8 million (€5.23 million) of licensing deals for the rights to publish around 652 foreign titles in mainland China. China will be the guest country of honour at the 2009 Frankfurt Book Fair.

*Source: CMM Intelligence - October 2008.*

### **UK's Skyworks Plans to Film China From the Sky for TV Series**

Skyworks - an independent British producer and high definition aerial filming specialist - has become the first production company in the world to be commissioned to film the whole of China from the air. In a world-exclusive deal with China Central Television (CCTV), the company is set to produce the 52 x 30 minutes series *Flying Views of the World*. With heightened exposure around the 2008 Olympics, China has attracted the world's attention. The deal with CCTV, Central Newsreel and Documentary Film Studios, to broadcast the first series of *Flying Views of the World*, produced especially for China, also offers an unrivalled programme sponsorship package.

The series is already confirmed for broadcast over three CCTV channels and a further 80 syndicated TV channels throughout the People's Republic of China. The first series of 30 minute

shows will cover Europe, and will be broadcast on Chinese television in 2009. The second series will include aerial views of China. The parties agreed on this unique cooperation based on Skyworks' world class expertise in aerial filming and CCTV's media power.

Damian Keogh, Managing Director Skyworks, said: "To be the first company ever to film the whole of China is a real achievement for Skyworks. "With filming due to start in 2009, we have already established interest from a number of sponsors, many of whom have business interests in China.

Source: <http://www.4rfv.co.uk/industrynews.asp?id=84114> (October 20, 2008)

### **Mobile VAS Market Hits RMB33.2 billion (€3.79 billion) in the 3Q 2008**

The market for mobile value-added services (VAS) reached RMB33.2 billion (€3.79 billion) in the third quarter of 2008, a quarter-on-quarter increase of 40.2%. Leading mainland research group iResearch published the figure in a report on the mainland mobile value-added services industry. SMS accounts for 74% of the total market for value-added services, while color ring-back tones (CRBT) account for 12.9% and wireless application protocol services (WAP) account for 6.2%. While SMS dominated the market, WAP and JAVA services were two of the fastest growing segments.

The demand for Olympic-related content helped push the WAP market up by 33% quarter-on-quarter to a total of RMB2.05 billion (€236 million) by the end of Q3.

Many WAP portals helped to push WAP user numbers up by launching special channels with comprehensive reports on the 2008 Games during the Olympics.

As a result, the market for China Mobile's WAP services increased 27.1% quarter-on-quarter to RMB1.86 billion (€0.21 billion).

The size of the market for Java services also increased 48.2% quarter-on-quarter to RMB0.22 billion (€0.025 billion) by the end of Q3. China Mobile, the company leader, has pushed its JAVA user numbers up since September 1, when it began to increase the quality of the games it offers.

Subscriber numbers for all value-added mobile services continued to rise throughout Q3, especially in traditional market segments such as MMS and WAP.

Source: CMM Intelligence - October 2008.

### **Top-Rating Provincial Satellite TV Channels in the first half of 2008**

Provincial satellite TV channel ratings increased by an average of 11.8% year-on-year in the first six months of 2008, according to a report in the bimonthly *North Media Research* magazine published by the North Media Research Center and the satellite station, Jilin TV.

The increase in ratings for provincial satellite TV contrasts with the overall industry trend. Ratings for all the TV stations in China - including CCTV and city TV stations as well as provincial TV stations - actually fell by an average of 0.6% in the first half of 2008.

Provincial TV stations may have boosted viewer numbers by broadcasting immediate and timely coverage of the Sichuan earthquake disaster in May, as well as a number of popular TV dramas in June. While Hunan Satellite TV remains the top-rated provincial satellite station, Jiangsu Satellite TV and Sichuan Satellite TV rapidly increased their ratings share in the first half to supplant Anhui Satellite TV and Beijing Satellite TV in second and third place.

Jiangsu Satellite TV registered high ratings by airing two very popular programs on the lives of common people - *The World (Ren Jian)* and *1860 News (1860 Xinwen Yan)* - as well as a number of exclusive TV dramas.

Sichuan Satellite TV boosted its ratings by making a series of changes to its programming, introducing a number of popular TV dramas, talent shows and entertainment programs. The station introduced a local version of *America's Next Top Model* called *Shining Star (Shanliang Mofang)* after licensing the format from CBS Paramount Intl TV in January 2008. The station also gained high ratings for its 24-hour daily coverage of the Sichuan Earthquake as the tragedy unfolded in May 2008. The station also increased the air-time for TV dramas by 5% in the first half of 2008.

Table 1: Top Ten Provincial Satellite TV Stations by Ratings H1, 2008

TV Channel	Rank by TV Ratings
Hunan Satellite TV	1
Jiangsu Satellite TV	2
Sichuan Satellite TV	3
Anhui Satellite TV	4
Chongqing Satellite TV	5
Jiangxi Satellite TV	6
Tianjin Satellite TV	7
Zhejiang Satellite TV	8
Beijing Satellite TV	9
Shandong Satellite TV	10

Source: CMM Intelligence - October 2008.

## SARFT Approves Five TV Drama Co-productions for

## Distribution

The State Administration of Radio, Film and TV (SARFT) approved five TV drama co-productions for distribution in the mainland.

Four of the dramas were mainland-Taiwan co-productions:

- *The Story of Great Heroes* (23 episodes) co-produced by The Communication University of China's TV Drama Production Center and Beijing Hailong TV & Art Company of China, plus Young Pei-Pei Production House of Taiwan.

- *Little Dragon Maiden* (23 episodes) co-produced by The TV Drama Production Center of Communication University of China and Beijing Hailong TV & Art Company of China plus Young Pei-Pei Production House of Taiwan.

- *The Whole Life* (41 episodes) co-produced by China International Television Corporation and Young Pei-Pei Production House of Taiwan.

- *Xinlian* (43 episodes) co-produced by Xi'an Film Studio and Zhongyi Media Company of Taiwan.

Furthermore, *Moonlight*, a mainland-Japanese co-production from the Shanghai Film & Video Company of China and Nagasaki TV of Japan, also received approval for distribution.

Source: CMM Intelligence - October 2008.

## China Mobile Registers 1.65 million Mobile TV Subscribers

China Mobile had 1.65 million mobile TV subscribers by the end of the Beijing 2008 Paralympics, according to figures released by the mobile operator.

China Mobile boosted its mobile TV subscribers significantly during the 2008 Olympics by providing timely and comprehensive coverage of the Games. In addition to producing more than 20

programs on the Olympics, China Mobile re-broadcast the Olympics-related programs aired by TV channels CCTV-1, CCTV-News, CCTV-3, CCTV-5, CCTV-7 and CCTV-12 in cooperation with CCTV.

Source: *CMM Intelligence* - October 2008.

### **China TV shopping market reached RMB7 billion (€671.92 million) in 2007**

According to the data of the "Special report on China's TV shopping market 2008" recently released by the market analysis and research consultant Analysis International (*Yiguan guoji*, [www.analysis.com.cn](http://www.analysis.com.cn)), the TV shopping market in China reached a value of RMB7 billion (€671.92 million, at historical rates) in 2007, increasing by 55.6% over 2006.

Yet the TV shopping market is facing fierce competition from traditional retail sale channels and Internet retail and new retail channels. TV shopping operators now have to find countermeasures: many operators have launched their own-resources-based online retail business, mail-order catalog business, as well as telephone sales, and other multi-channel retail systems. In 2007 the proportion of sales between TV shopping operators and non TV shopping channels reached 13.5%.

The pattern of competition of TV shopping operators also changed. In 2007, the Chinese TV shopping operator Acorn International (*Xi-angguo guoji*, [www.chinadrvtv.com](http://www.chinadrvtv.com)) still led the market with its 17% market share, followed by Happigo (*Kuailegou*, [www.happigo.com](http://www.happigo.com)) and Oriental CJ (*Dongfang CJ*, [www.ocj.com.cn](http://www.ocj.com.cn)) with 13% and 12% respectively. Acorn International and China Sevenstar (*Qixing gouwu*, [www.cntvs.com](http://www.cntvs.com)) represented the advertising information business model for TV shopping operators but in the last two years

new models of family TV shopping have gradually appeared, operators with radio and TV background have developed rapidly and China Sevenstar has been overtaken by Happigo and Oriental CJ, ranking fourth.

Source: *China Securities Journal (Zhongguo zhengquanbao)* - October 27, 2008.

### **China has more newspapers and magazines**

There are ten times as many Chinese newspapers and magazines than there were 30 years ago when the country adopted the reform and opening-up policy. Figures from the General Administration of Press and Publication (GAPP) show that there were 186 newspapers and 930 magazines in China in 1978. Today, the country has 2,081 newspapers and 9,363 different magazines.

In the meantime, official figures show that China has some 600 publishing houses producing nearly 300,000 kinds of books: a huge increase from the 105 publishers of the past that produced only 10,000 different books.

Rapid economic development and universal education since China adopted the reform has helped fuel the need for more information sources.

Under the market economy, hundreds of publishing houses and newspapers have taken steps to restructure management systems into corporations listed on the stock market.

The legal system overseeing the news and publishing sectors in China has also changed over the last three decades. Since 1990 a law and five relevant regulations have been adopted to govern the sectors.

Digital publishing has flourished since it began in 1993. Its turnover amounted to RMB20 billion (€2 billion, at historical rates) in 2006. More than 500,000 types

of digital books were produced last year alone in China, more than any other country in the world.

Source: [www.sina.com](http://www.sina.com) - October 8, 2008.

### **Anti-piracy tool angers Chinese Internet users**

Chinese internet users have reacted with fury after Microsoft launched an anti-piracy tool to combat the widespread sale of fake software. People have flooded blogs and bulletin boards to complain that it infringes their right to privacy - with one lawyer even reporting the firm to security officials for "hacking".

Microsoft dominates the Chinese market and even the president, Hu Jintao, has said he uses its products. But with software piracy estimated at more than 90%, the firm's profits fail to reflect its popularity. The new version of the "Windows Genuine Advantage" program turns the background black every hour if the installed software fails a validation test.

Dong Zhengwei, a Beijing lawyer, has complained to the public security ministry, describing the software giant as the "biggest hacker in China, with its intrusion into users' computer systems without their agreement or any judicial authority". He told the official China Daily newspaper he believed the measure breached China's criminal law.

The China Software Industry Association said it also planned to take action against Microsoft.

Critics said Microsoft was putting their information at risk by accessing their computers but the software giant argues that counterfeit programs pose a far greater risk to information security.

Source: *The Guardian* - October 23, 2008.

### **China's first periodical Du-**

### **zhe starts the listing process**

*Duzhe* (The Reader), the leading Chinese periodical in terms of circulation, began the process to be listed on the stock market. The Gansu-based group has selected China Galaxy Securities Company Ltd. as sponsor responsible for its listing.

*Duzhe* became the first Chinese periodical in 2006 after distributing more than 10 million copies in a single month. In the same year, the Gansu People Publishing House, the administration responsible for *Duzhe*, changed the periodical's legal status from 'institution' (*shiye*) to 'enterprise' (*qiye*), thus establishing the Duzhe Group. It followed that the Group started the listing process.

The Group will be officially listed in 2009, according to the China Galaxy Securities Company. However, because of the many changes that need to be implemented and improved, and the fact that the Group itself still has to complete the process to become a joint stock company, the time for listing could be longer than expected. "In any case, *Duzhe's* listing process is irreversible", says Zhang Lansheng, the vice-president of the Group.

Source: [www.xinhuanet.com](http://www.xinhuanet.com) - October 30, 2008.

### **Developing youth digital content in China**

The 350 million under-16s in China represent a huge market and opportunity to develop youth-oriented digital content, said Wang Lifeng, the president of Chinese animation firm Xing Xing.

As a result, the animation industry in China has been growing rapidly, with double-digit growth in consumption and production. But with state broadcaster CCTV spending little over €1,259 per minute for its scheduled 7,000

hours of TV time for animation, it creates a poorer quality product for TV, Lifeng said.

Yet the vast amount of domestic animation was of poor quality, Lifeng added, and most of China's 5,000 animation studios were small operations with fewer than 30 employees serving mainly local markets. Television remained the primary and most important outlet but fledgling web and mobile services were emerging.

Going global represents the best opportunity for Chinese animation companies to create a viable business, Lifeng said. It could then look at serving the domestic market more fully.

Source: *The Guardian* - October 22, 2008.

**Table 2: Box Office Rankings for Imported Films (October 31- November 2, 2008)**

<b>Ranking</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>Screening days</b>	25	17	18
<b>Film name</b>	<i>Wanted</i>	<i>Journey to the Center of the Earth</i>	<i>Autobahnraser</i>
<b>Audience Numbers</b>	846,956	143,180	115,587
<b>Weekly Box Office Takings (mln)</b>	RMB10 (€1.1)	RMB5.4 (€0.6)	RMB2.1 (€0.2)
<b>Accumulated Box Office Takings (mln)</b>	RMB68 (€7.8)	RMB27 (€3.1)	RMB7.6 (€0.8)
<b>Distribution Company</b>	CFG/Huaxia	CFG Digital	CFG

Source: China Film Group (CFG) - November 2008.

## Waiting for 08-08-08



## Review: Chinese audience's media exposure during the Olympic Games

How did Chinese audience view the competitions and gather information during the Beijing 2008 Olympic Games? What kind of changes occurred in the selection of media?

### Diversification in Media selection

According to a series of surveys conducted by the market research consultant CTR, during the Olympic Games the number of people listening and watching TV, radio, Internet, mobile TV, mobile media and other direct broadcasting media in 128 main cities reached 83% per day on average. By examining media selection, the Chinese audience shows a trend towards diversification, and the influence of new media during the Olympic Games was notable. TV was not as high performing as Internet, and its attractiveness with the audience has decreased. For the first time new media, which provided Chinese audience with live events to watch, represented another excellent choice. The survey also revealed that the proportion of men watching competitions through the Internet and radio was slightly higher than the proportion of women. The number of young people in the 15-34 age group watching through the public transport network and

mobile TV is higher than other age groups.

*Table 3: the ranking of each mass media by contact ratio during the Olympic Games. Date: August 23, 2008*

<b>Rank</b>	<b>Media</b>	<b>Contact ratio (%)</b>
1	TV	89.9
2	Newspapers	36.1
3	Internet	36.1
4	News via mobile phones	15.9
5	Radio	15.4
6	Public mobile TV	5.8
7	Others	4.2

Source: CCTR Market Research Survey - October 2008.

#### Internet live events are becoming fashionable

For the first time in the history of the Olympic Games a new media providing live competitions, watching Olympic Games through Internet, became fashionable especially for the younger age groups.

According to a CTR Market Research survey, the use of Internet by Chinese netizens can be divided as follows: an average of 39.6% a day watched the portal Sina ([www.sina.com](http://www.sina.com)) live; the portal [www.qq.com](http://www.qq.com) ranked second with a share of 35.6%; the portal of CCTV, the official Olympic Games broadcaster, despite its ups and downs during the matches, still accounted an average for 32.4% of viewers. On August 14, this share rose to 40.4%, ranking top.

#### Public TV in the mainstream media

Since January 1, 2003, when China's first public mobile TV channels broadcast in Shanghai, Beijing, Guangzhou, Shenzhen,

Wuhan, Changchun, Nanjing and more than 40 cities have also started to launch mobile TV on public transport. A CTR market survey conducted in 16 cities reveals that during the Olympics, public television media, with 13% of viewers (approximately 19 million people), emerged as the fourth most popular media, becoming one of the mainstream media. Because many events of the Olympic Games took place during the day, for working people and the crowd the possibility of watching the Olympic Games outdoors through public television has become a new choice.

The survey shows that the choice of public television to watch the Olympic Games among the 15-34 age group audience was significantly higher than the other age group audiences. Examining the specific patterns of each city, the contact ratio with public television also showed different patterns. In Beijing, Shanghai, Guangzhou, the ratio of people who chose public television to watch the Olympics was significantly higher than other cities, reaching an average of 17% (approximately 7,620,000 people), close to the 18% who chose Internet. In Beijing, the main Olympic venue, the share of people who chose public television to watch the Olympics was even higher, reaching a record of 22%.

Sources: <http://news.xinhuanet.com/newmedia>, [www.sohu.com](http://www.sohu.com) - October 2008.

## **EVENTS, CONFERENCES and BOOKS ABOUT CHINA**

China Media Observatory, Lugano.

- **Chinese Communication Forum 2008. Development & Innovation of Chinese Culture & Communication**  
Jinan University, Guangzhou, China, December 13-14.

Since 2001 the Chinese Communication Forum has been held annually as a regular academic platform for communication scholars at home and abroad. The forum is aimed at exploring media-related projects and promoting research on communication in greater China. This year's forum is hosted by the Communication Association of China (CAC), the Chinese Communication Society (CCS), the Chinese Communication Association (CCA) and Jinan University, and is organized by the School of Journalism & Communication of Jinan University. This year's conference themes focus on: 1. Retrospect and outlook of communication research; 2. The experience of journalism and communication in China; 3. The dialogue between Chinese communication and western communication theories; 4. Communication technology and social changes; 5. Media responsibilities and ethics; 6. Mass media and public domain; 7. Mass media and mass culture; 8. Economic development and business communication; 9. Media industry and media economy; 10. Ethnic Chinese society and cross-cultural communication; 11. Chinese media in the context of globalization; 12. Diverse media education and learning from each other. The languages used will be English and Chinese. For more information, send an email to: [jinancom2008@163.com](mailto:jinancom2008@163.com)

### ***New & Notable Books***

***Chuanmei zhishu lanpishu. 2008nian zhongguo guangbo chuanmei fazhan zhishu baogao [Blue Book of China's Media Index 2008]***, Yu Guoming (ed.), Social Sciences Academic Press (China), 2008.

The Chinese economy has grown rapidly and continuously since the completion of the reform and opening-up policy, offering the media sector high levels of profitability. The commercialization of the old media system has boosted the industry's growth but in an unbalanced way. This differentiation and imbalance is reflected in the regions, with a complex articulation of media development and its social and economic context.

The *Blue Book of China's Media Index 2008* provides a set of scientific and statistical indices of media development, economic development and societal development which can be used to analyze the current and future status of their mutual relationships. By developing a measurement index framework - China's Media Development Index (CMDI) - this study assesses the media's economic growth and regional differences.

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