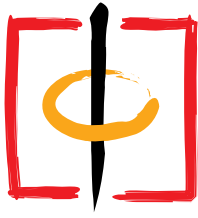


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CHINA BRIEFING

From Dezan Shira & Associates

China Investment Roadmap: The Entertainment Industry

P.04 Market Overview: The
Entertainment Industry in China

P.06 Investing in China's
Entertainment Industry

P.14 Expert Commentary:
HR Challenges for the
Entertainment Industry

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Introduction

Surveying a list of China's high-growth industries published by CNN in 2013, one can appreciate just how much the Chinese economy has changed over the past decade. In place of low value-added exports like shoes and toys, the list names consumer-oriented industries like food & beverage, health care and private education, as well as innovation-heavy sectors such as clean technology, cloud computing and e-commerce.

Notably absent from this list, however, is China's entertainment industry, which is predicted to grow by 10.9 percent (CAGR) between 2013 and 2018. As we explore in detail in the pages to follow, this is connected to the misalignment between typical Western ideas of "showbiz" and China's official industry classification scheme, resulting in confused definitions of what is and isn't deemed part of the entertainment industry in China.



Alberto Vettoretti
Managing Partner
Dezan Shira & Associates
China, Vietnam & Italy Offices

Considered as a whole, the entertainment industry in China presents a mixed bag of opportunities and restrictions, incentives and obstacles. Historically, the industry has been subject to some of the most stringent restrictions on foreign investment, but in recent years these have given way to policy adjustments such as the lifting of a 14-year ban on video game consoles in the Shanghai Free Trade Zone. The situation today is one in which targeted incentives are being used to channel investment into priority areas such as cinema construction and high-tech entertainment services.

In this special edition China Briefing Industry Report, we cast our gaze over the broad landscape of China's entertainment industry, identifying where the greatest opportunities are to be found and why. Next, we detail some of the most important issues for foreign investors to be aware of, including legal, regulatory, and tax considerations specific to the industry. Lastly, we provide an insider analysis of the sector's unique human resources challenges.

With kind regards,



Alberto Vettoretti

Reference

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