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December 21, 2009

**MPAA HAILS WTO RULING**

*WASHINGTON, D.C.* – In a landmark victory for the U.S. film industry, the World Trade Organization (WTO) today rejected China’s appeal of its earlier ruling that sided with the United States to get China to provide greater access to its market for U.S. films and DVDs. The following is a statement by Motion Picture Association of America (MPAA) Chairman and CEO Dan Glickman:

“With today’s rejection of China’s appeal, the WTO has taken a major step forward in leveling the playing field for America’s creative industries seeking to do business in China. We are gratified by today’s decision and wish to thank U.S. officials for their hard work and dedication to this effort. At this time of economy difficulty, gaining access to the Chinese market is of the utmost importance to the working men and women of this country. Now that this appeal has been rejected, we are hopeful that we will be able to work closely with U.S. and Chinese officials to implement the WTO ruling and find creative ways to open up the Chinese movie market.

“This ruling will complement our strategy to fight movie piracy in China. In spite of all the restrictions we face, there is no shortage of U.S. filmed entertainment in China. Unfortunately, far too much of it is pirated. This ruling represents a positive step in promoting the growth of legitimate U.S. movies in a market that is growing rapidly, and with great potential.

“The ruling is the result of an enormous commitment from the member companies of the MPAA, our team, and significantly, the tremendously talented, dedicated team at the Office of the U.S. Trade Representative under the tenacious leadership of Ambassador Kirk, who brought the decision home, and I applaud them for their hard work. I also want to thank the tireless efforts of Ambassador Schwab and her team in the previous Administration as well as the many Members of Congress and Senators who supported this case.”

BACKGROUND

Brought in April 2007, the U.S. case challenged the legality of several of the maze of Chinese laws and regulations that strictly control and restrict the ability of the U.S. film industry to bring its movies to Chinese audiences.

When China joined the WTO, it agreed to make several changes to its laws to permit, over time, U.S. companies to compete in its market. Instead, China has maintained its state-owned monopoly on the importation of films, its restrictions on U.S.-owned companies that keep them from importing DVDs, as well as its barriers preventing U.S. companies from distributing DVDs to Chinese consumers, or even investing in such companies. The WTO found all of these barriers to be violations of China's international obligations.

The United States made a further, complex charge alleging that China's scheme controlling the way U.S. films are distributed to Chinese theaters is discriminatory. The Chinese government explained that its laws would permit other companies, beside the state-owned monopoly that currently controls this market, to enter this business. The WTO accepted those assurances and thus did not find that those rules are illegal.

The WTO ruling did not, however, address the twenty film quota. That restriction remains in place.

***About the MPAA***

*The Motion Picture Association of America, Inc. (MPAA) serves as the voice and advocate of the American motion picture, home video and television industries from its offices in Los Angeles and Washington, D.C. Its members include: Walt Disney Studios Motion Pictures; Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Universal City Studios LLLP; and Warner Bros. Entertainment Inc.*

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