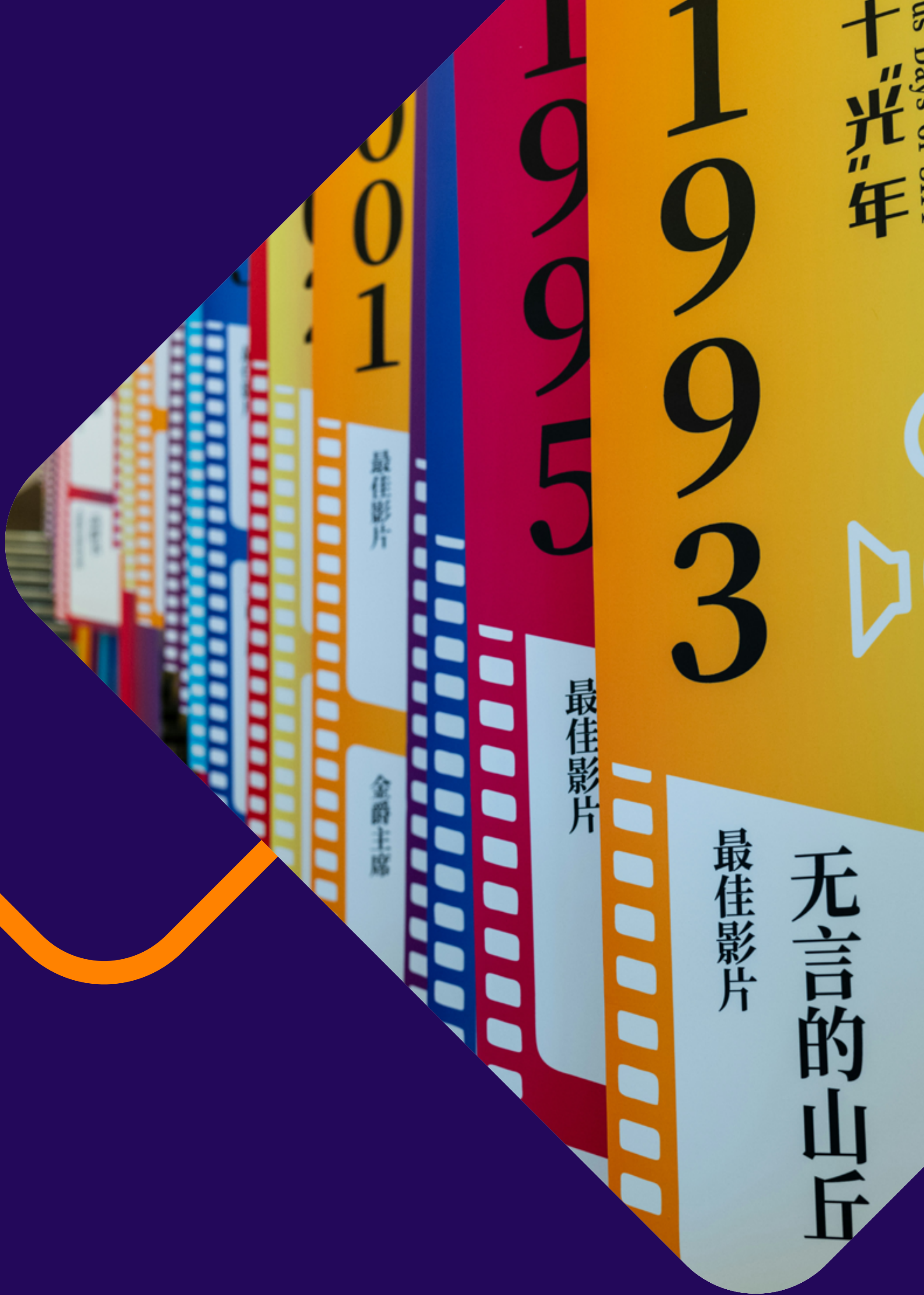


Film

Film in China at a glance

China's film industry is vast and navigating a complex global moment. With over 90,000 cinema screens and a box office nearly six times the size of the UK's, China is the world's second-largest film market. While blockbuster imports face tighter access and diminished dominance, domestic films now account for over 85% of box office sales. Meanwhile, art-house cinema, streaming platforms, and film festivals offer promising—less complex—routes for international engagement.

- **42.5 billion yuan**(~£4.41 billion): China's 2024 box office
- **1.01 billion:** Total cinema visits in 2024
- **90,968:** Number of cinema screens in China—more than any country in the world
- **85%+:** Share of domestic films in the Chinese box office

Opportunities for UK partners

For UK stakeholders, film remains one of the most regulated and challenging sectors to navigate, but also one of the most creative, dynamic, and digitally integrated. While formal co-productions remain underused, appetite is growing for distinct British voices, new formats, and skills exchange. China is also strengthening its IP protection in the film sector with tightening enforcement and clarifying legal interpretation, aligning with its broader IP strategy and international commitments. The path forward lies not in one-off sales, but in building long-term relationships through collaboration, capacity-building, and reciprocal visibility.

- **Clarify British distinctiveness:** with large-budget foreign blockbusters increasingly restricted by tighter funding and policy volatility, arthouse cinema in China are on the rise. Actively distinguishing UK cinema from Hollywood with its unique strength in its screenwriting, emotional realism and storytelling craft would help find its contemporary voice in the China market.

- **Leverage festivals and reciprocal screenings**: Film festivals offer soft-entry strategic routes into China. Partner with UK entities already active in China or with experience in reciprocal programming. Support outbound Chinese screenings in the UK to build diplomatic reciprocity and unlock local permissions.

- **Explore digital pathways:** Online platforms and restoration projects can reach audiences and bypass some traditional barriers.

- **Start small, build trust:** Co-productions work best when preceded by joint development, peer exchange, and shared authorship. Using skills-based collaboration as an entry such as training in screenwriting, film preservation, special effects (VFX), or post-production can create value and forge partnerships. Film archiving and restoration are emerging fields of bilateral interest—jointly restoring a historical film for exhibition in both countries would combine technical exchange with cultural diplomacy.

Market development timeline

1990s

Market Reform and Introduction to Hollywood

The 1990s marked a commercial turn with the emergence of private distributors and studios. The introduction of revenue-sharing Hollywood imports reshaped box office dynamics. China began building bridges to the international market while keeping firm policy oversight.

1992 China Golden Rooster & Hundred Flowers Film Festival was founded.
1993 Studios were allowed to distribute their films, breaking the state monopoly.
1993 Shanghai International Film Festival was established.
1994 The Fugitive became the first revenue-sharing Hollywood film released in China.
1995 Surge in foreign film imports (*Forrest Gump, The Lion King*) drove 50–80% box office growth.
1997 Return of Hong Kong to China fuels growth in mainland-HK co-productions.
1999 China Film Group Corporation (CFGC) was established.
1999 Bona Film Group was founded, the first private firm with a national distribution licence.

2000s

Urban Cinema Boom and Commercialisation

The 2000s decade was defined by rapid commercialisation and growth. China's accession to the WTO in 2001 and the domestic economic boom fuelled investments in cinemas, studios, and new film companies. The industry shifted from a state-subsidised model to a market-driven ecosystem producing both artistic films and big-budget blockbusters. Key developments included an explosion of multiplex cinemas, the rise of private studios, new genres, and the first Chinese films making a mark globally in the modern era.

2001 China joins WTO.
2002 *Hero* by Zhang Yimou topped international box office as a foreign film backed by Miramax.
2004 *House of Flying Daggers* showcased China's visual storytelling globally backed by Warner Bros. 20th Century Studios etc.
2006 China Film Archive launched Film Archive Digitisation and Restoration Project.
2006 FIRST International Film Festival was founded, focusing on platforming emerging filmmakers.
2008 Cinema screen count tripled since 2003 from 1500 to 6000+.
2010 China produced 500 films annually as the 3rd largest film industry by output.

2010s

Explosive Growth, Online Streaming and Global Ambitions

Powered by a fast-growing middle class and aggressive cinema expansion, China's box office skyrocketed, making it the second-largest (and at times the largest) film market in the world. This decade saw Chinese studios deepening integration and competition with Hollywood as well as the rise of online streaming platforms.

2011 Beijing International Film Festival was founded.
2012 China's film import quota increased from 20 to 34.
2012 Maoyan, online ticketing APP, set up by Meituan Group.
2013 4G Internet rolled out; Mobile overtook PC in China.
2013 China became the 2nd largest film market globally by box office.
2014 UK-China film co-production treaty was signed, allowing co-produced films to qualify as domestic in both countries and bypassing import quotas in China and tax benefits in the UK.
2016 Explosive growth of short-form video platforms and livestream. Platforms like iQiyi, Tencent Video and Youku started producing original films and web movies.
2016 Nationwide Alliance of Arthouse Cinemas (NACC) was founded.
2017 *The Foreigner* (Jackie Chan and Pierce Brosnan) was released as a UK-China-US co-production.
2017 Film Industry Promotion Law took effect to promote domestic filmmakers and ideologically aligned content.
2017 Pingyao International Film Festival was founded.
2017 Domestic film *Wolf Warrior 2* became China's highest-grossing film then, earning $870M.
2018 The film regulatory authority (then SAPPRFT) reorganised. Film censorship and approval put directly under the Party's Central Propaganda Department.
2019 Domestic film *The Wandering Earth* earned $700M.
2019 5G rolled out.

2020s

Film Restoration, Regulatory Tightening, Resilience

With COVID disruption, tightening regulations and shifting global dynamics, the 2020s Chinese film industry has been characterised by domestic productions, growing streaming distributions, and internet mini-films.

2023 China's box office accounted for 28% of global revenue with over 85% from domestic films.
2023 Launch of Classic Hong Kong Film Restoration Project by China Film Archive, Douyin and Volcano Engine
2023 1st International Restored Film Festival.

Market overview

Market size

China retained its position as the **world's second-largest film market** in 2024, demonstrating a steady upward trajectory[47].

- **Box office:** In 2024, China's box office was 42.5 billion yuan (~£4.41 billion), with over 1.01 billion cinema visits[48]. By contrast, the UK/Ireland box office for 2024 was around £979 million, which is about one-fifth of China's revenue.

- Over **85%** of China's box office in 2023 came from domestic Chinese films, with a few overseas breakthroughs like *Wolf Warrior 2* (~$2.7 million in the US) or *Ne Zha* (~$3 million in North America) – tiny compared to their home totals. The record-setting box office run of *Ne Zha 2* grossed $60 million overseas, yet still only 3% of its $2.15 billion domestic box office[49]. On the other hand, UK films earned £402 million at the UK box office[50] and grossed $6 billion worldwide with global audiences[51]. This highlights the currently inward-focused Chinese film industry signals opportunity to open up China's film market.

Market segment

Infrastructure-wise, China had more than **90,968 cinema screens** in 2024, the most in the world. Cinema has penetrated far beyond urban centres, with multiplexes now commonplace in smaller cities and towns. Cinema penetration went from <1 screen per 100,000 people in the 1990s to about 6 screens per 100,000 by 2020, matching or exceeding UK ratios (7–8 screens per 100,000 people).

In terms of key players, major state-owned firms like China Film Group and Shanghai Film Group continue to dominate, alongside media-tech giants like Tencent Pictures, Alibaba Pictures, Enlight Media, and iQIYI Pictures, which leverage digital ecosystems to finance and distribute films. Private studios like Wanda Media also play key roles, with Wanda's acquisition of AMC making it the world's largest cinema chain.

- **Domestic production vs. foreign import:** The government maintains an **import quota of** foreign revenue-sharing films per year since 2012, however, as the market becomes increasingly open, the actual number of imported films has exceeded this quota, making it largely symbolic. On 9th July 2025, a national meeting[52] on imported film distribution was held in Beijing, signalling stronger support for international cooperation and a more balanced approach to both domestic and foreign films. This meeting highlighted a more welcoming environment for high-quality imported films.

  Although US movies no longer dominate the Chinese box office, they still managed to earn $585M in 2024, which is no small sum but only 3.5% of the Chinese box office[53]. Amid ongoing China-US trade war, Hollywood productions continue to face mounting competition and political headwinds. As of writing, the Chinese Film Administration (CFA) said on 11 April 2025 that it will cut the number of US film imports. Historically, many UK films have entered China as US films due to American financial backing. In the current climate, however, there is growing space for non-US backed films, creating new opportunities for independent UK productions and other international titles financed outside the Hollywood system.

- **Art house cinema:** Nationwide Alliance of Arthouse Cinemas (NACC) was founded in 2016 to promote arthouse cinemas, now with over 2,937 cinemas (2023). It operates under China Film Archive and China Film Art Research Centre, and organises international film screenings across its affiliated cinemas[54]. Shanghai Art Film Federation has also been a long promoter of arthouse cinema long before Beijing.

- **Film-related IP protections:** In 2023, in the context of developing the film industry as a key part of China's soft power strategy, China's Supreme People's Court published eight landmark cases on film-related intellectual property (IP) protection, illustrating how courts are strengthening IP protection in the film sector. These cases span criminal and civil matters, covering issues such as:

    - Cinema piracy (unauthorised filming and distribution of theatrical releases)
    - Online copyright infringement
    - Moral and adaptation rights
    - Fair use and accessibility
    - Commercial secrecy during post-production
    - Unfair competition via misleading publicity

  These rulings send a clear signal that China is tightening enforcement and clarifying legal interpretation in the cultural IP space, aligning with its broader IP strategy and international commitments. For UK-China cooperation in film, these precedents offer a more structured legal environment—especially relevant for co-productions, licensing, and brand protection.

- **Film festivals:** China hosts a vibrant array of film festivals that showcase independent and arthouse cinema, ranging from top-tier government-run international festivals to smaller indie gatherings. Shanghai International Film Festival (SIFF)[55] is a key state-run festival, having led the Belt and Road Film Festival Alliance that links 50+ international festivals for cultural exchange. Beijing International Film Festival (BJIFF)[56] is the capital's premier film event, co-hosted by the China Film Administration and Beijing government. FIRST International Film Festival[57] in Xining has evolved into China's festival for young and independent filmmakers. Other specialised festivals include: West Lake International Documentary Festival[58], Beijing Queer Film Festival[59] and many more.

Key trends and opportunities

This section distils insights from in-depth conversations with Chinese and UK film professionals. These interviews reveal five trends that reflect China's changing environment in co-production, distribution, film festivals in China and offer targeted opportunities for UK stakeholders where mutual value, skill-sharing and long-term trust are prioritised.

1. Distribution remains the greatest hurdle for UK films

Access to China's distribution network is tightly controlled. Every film requires a "dragon label" approval, whether for cinema, streaming or festival screening. French and German films often have an advantage to gain faster approvals due to longstanding cultural diplomacy frameworks. In contrast, UK film remains in a grey area post-Brexit and following recent geopolitical tensions. Local distributors take on financial risk and are cautious unless political and commercial prospects are clear.

Both the UK and China are experiencing the impact of streaming. In the UK, cinema attendance faces headwinds from the convenience of at-home streaming services. In China, streaming (via domestic platforms like Tencent Video, iQiyi) is also popular, but going to the cinema remains a strongly embedded social activity, especially for young people. Short video mobile platforms such as Douyin and Kuaishou also compete for attention, but Chinese cinemas have combated this by enhancing the cinema experience through luxury seats, themed events, food and beverage services, etc.

While online streaming platforms like iQiyi and Tencent offer alternate distribution channels, they still require approval by China's broadcast authority, now housed within the Central Publicity Department. Online distribution can be less bureaucratic than theatrical release, but it remains time-intensive for UK producers unfamiliar with the system.

Opportunities: Secure a trusted Chinese distributor early—ideally one with experience navigating the quota and approval system. Where this isn't viable, explore festival circuits or curated streaming partnerships.

If the Chinese company buys UK rights and the film doesn't get approved, they lose money—and confidence. That's why people hesitate.

The Chinese film market is the most exciting in the world—but also the most challenging.

— **Dr. Hiu Man Chan**, Senior Lecturer in Creative Industries, De Montfort University, Founder of UK-China Film Collab (NGO)

2. Co-production: an underused route

The 2014 UK–China co-production treaty enables films to qualify as domestic in both countries. But uptake remains low, hindered by regulatory complexity, creative misalignment, and lack of early trust-building. UK filmmakers often pitch ideas “about China” without truly understanding local narratives or audience expectations.

The treaty remains in place to allow bypassing quotas and easing distribution. If the right partnership and right type of content are in place, this is a great route to enter the China film market.

Opportunities: this route is suitable for UK stakeholders who are open to developing co-production, might it be through shared research, joint script development, transnational casts or reciprocal investment. Explore joint development early to build mutual understanding and find shared goals. Tap into UK-based research on real-life stories with transnational potential as a neutral starting point.

> **Many UK filmmakers think they have a film ‘about China’ but you can’t just sell an ‘oriental idea’ back to Chinese audiences.**
>
> **The co-production treaty exists, but it's underutilised and can be too bureaucratic.**
>
> —**Dr. Hiu Man Chan,** Senior Lecturer in Creative Industries, De Montfort University, Founder of UK-China Film Collab (NGO)

3. International film festivals as a strategic soft entry

Compared to commercial releases which come with the restricted distribution system, China’s film festival landscape offers a more accessible entry point. Cities such as Shanghai, Beijing, Pingyao and Shenzhen host internationally recognised festivals with special permissions to screen foreign films. Even though some local governments cap festival screenings before they count as commercial distribution, it is still a strategic soft entry.

There is increasing emphasis on reciprocity. Chinese authorities now expect international festival partners to also support the outbound screening of Chinese films abroad. The most mature example of this model is China–France cooperation, where sustained institutional commitment has led to one of the longest-running bilateral film exchange frameworks in the world.

> **Our NGO has a lot of reciprocity in our pocket—we’ve showcased Chinese films in the UK. That gives us leverage to help UK films or film-related projects go to China.**
>
> —**Dr. Hiu Man Chan**, Senior Lecturer in Creative Industries, De Montfort University, Founder of UK-China Film Collab (NGO)

Since 2004, France has hosted *Panorama du cinéma français en Chine*[60], an annual multi-city showcase of contemporary French cinema in China, organised by UniFrance in collaboration with the French Embassy in China. The festival includes screenings, networking events, and meetings between French and Chinese film industry professionals, and has become a cornerstone of Sino-French cultural relations. Its 2025 edition toured ten Chinese cities including screening and events in Shanghai, Nanjing, Beijing, Wuhan, Hangzhou, Chengdu, Xi'an, Guangzhou, Shenzhen and Kunming.

In return, China's *Festival du cinéma chinois en France (FCCF)*[61] has run since 2011, co-organised by the China Film Administration and the Centre culturel de Chine à Paris. It tours cities such as Paris, Lyon, Marseille, Strasbourg, Cannes and Brest, bringing contemporary Chinese films to French audiences annually.

Opportunities: The bilateral film festival model between France and China demonstrates the value of long-term, government-level cultural diplomacy. It has proven effective in strengthening cultural exchange, audience development, and creating a platform for mutual market access - especially within China's highly regulated film distribution environment.

At the same time, Individual film productions can partner with UK entities already active in China or those who have experience in reciprocal programming. Support outbound Chinese screenings in the UK to build diplomatic reciprocity and unlock local permissions.

4. Blockbusters in decline, arthouse cinema on the rise

Mainstream cinema in China has seen a decline in large-budget foreign blockbusters, constrained by tighter funding and policy volatility. Yet audiences in first-tier cities like Shanghai—home to one of the world's largest cinephile populations—continue to seek out diverse, international content. Art-house cinema, biopics, and independent productions remain niche but are increasingly valued, particularly among younger, culturally engaged audiences.

Chinese audiences often struggle to differentiate British cinema from American productions. Cultural references (e.g. *Downton Abbey, Paddington*) are familiar, but the broader identity of contemporary UK film is not well understood. A reliance on Hollywood-style co-productions has diluted the visibility of uniquely British narratives.

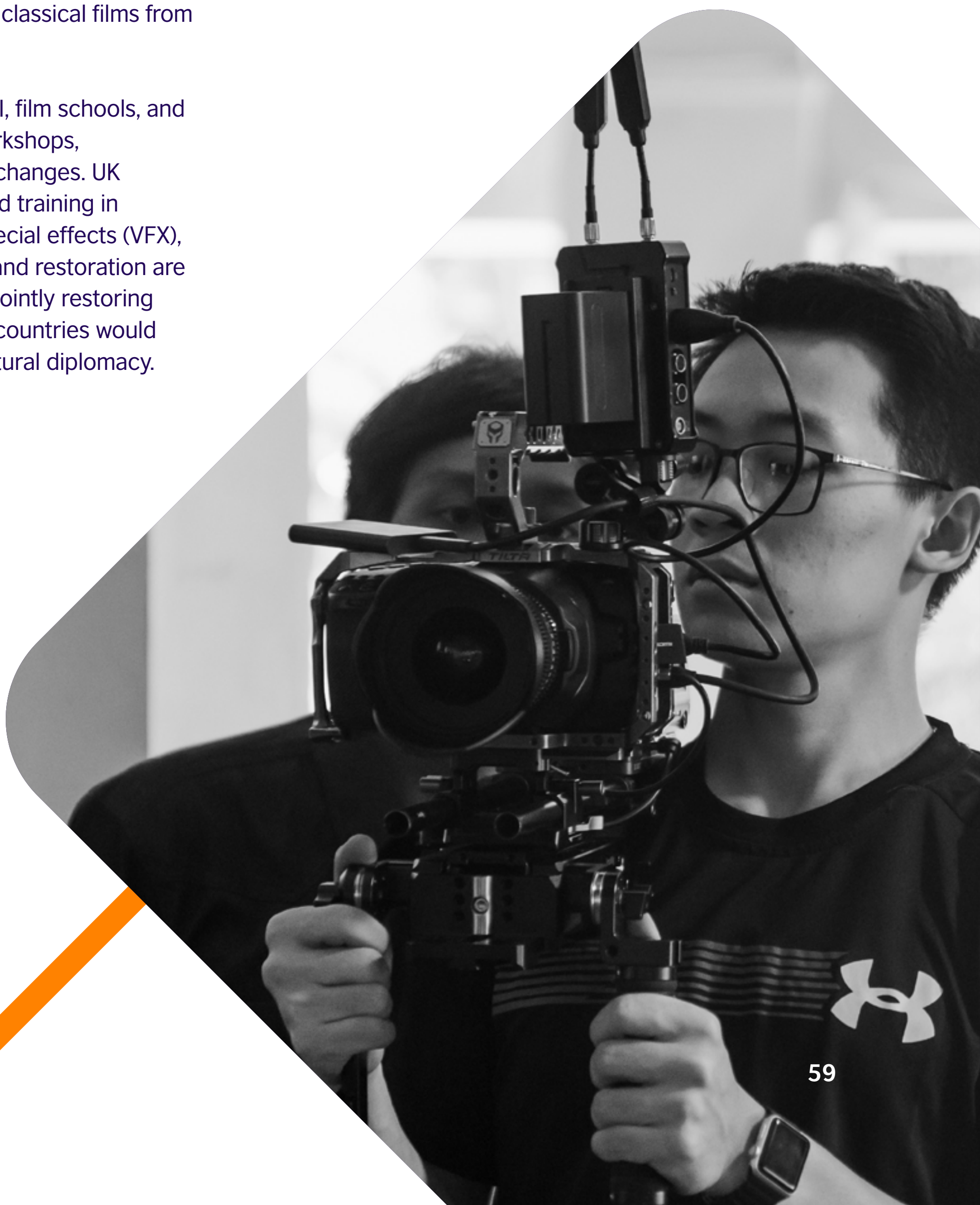
Opportunities: There is a growing room for UK films to establish their own contemporary voice in China distinct from Hollywood. UK films can stand out by foregrounding emotionally resonant stories, character depth, and authentic narrative craft. Biopics, rooted in British research rigour and storytelling, offer a niche appeal for Chinese audiences. While the current UK film appearance in China remains ad hoc, a recurring, bilateral framework mentioned above could help build sustained visibility for British cinema, provide inroads for independent UK filmmakers, and increase British films' awareness in China's fast-growing film landscape.

5. Widening skills gaps and growing need for professionalism

The professionalism in China's film industry is uneven, and career paths are less specialised compared to the UK. Post-pandemic, China's film workforce has thinned, and skill gaps are widening. This creates both challenges and space for knowledge-sharing. Chinese studios and crews are keen to learn from global experts, as evidenced by the heavy use of Hollywood VFX houses in Chinese blockbusters and the hiring of foreign consultants for action design or script development on some projects.

Government and private sector are investing in training and restoration, with new festivals and partnerships emerging around classic cinema and film heritage. In 2023, China Film Archive, Douyin and Huoshan Searching Engine initiated a partnership to restore classic Hong Kong movies[62]. In 2024, the China Film Administration hosted the inaugural Classic Film Festival[63] in Suzhou, dedicated to showcasing 16 restored classical films from China and abroad.

Opportunities: UK institutions like BFI, film schools, and post-production studios can offer workshops, short-term residencies, or training exchanges. UK professionals can offer knowledge and training in expertise areas like screenwriting, special effects (VFX), and film preservation. Film archiving and restoration are emerging fields of bilateral interest—jointly restoring a historical film for exhibition in both countries would combine technical exchange with cultural diplomacy.



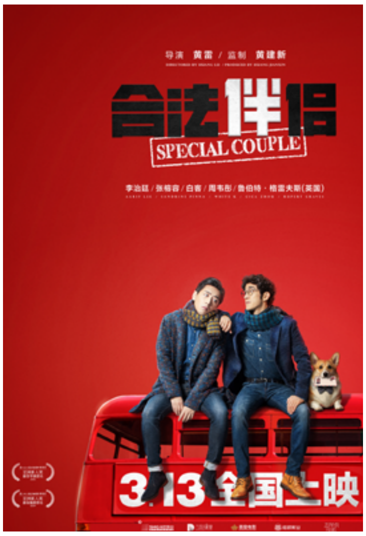
Case studies

In this section we showcase a mini typology of UK-China collaborations in film in the past few years. From co-productions, academic and cultural exchange, they demonstrate the scope, scale and creativity possible when UK and Chinese partners build relationships rooted in mutuality. These models are not mutually exclusive, many successful collaborations combine elements of several.

Official co-productions under the UK-China treaty

- *Earth: One Amazing Day* (2017): a nature documentary co-produced by BBC Earth and Shanghai Media Group
- *The Foreigner* (2017): an action-thriller starring Jackie Chan and Pierce Brosnan, directed by Martin Campbell
- *Special Couple* (2019): Mandarin-English romcom filmed in Belfast, starring Aarif Rahman and Rupert Graves.

These projects leveraged the 2014 co-production treaty, allowing them to bypass import quotas and access both domestic markets as “local” films. Success has been mixed—highlighting the need for deep mutual involvement from early stages, shared authorship and deep alignment beyond joint branding. (Official poster © Zephyr Films, Dimension Films, Shanghai Media Group)



UK Focus at Shanghai International Film Festival 2025 British Council x Shanghai International Film Festival[64]

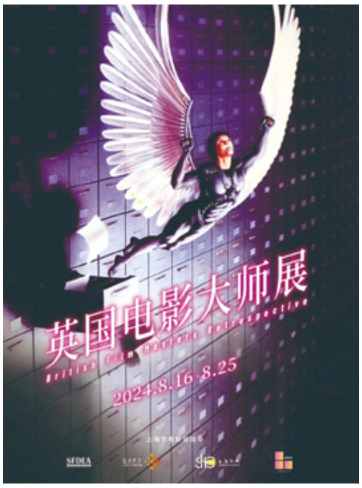
In 2025, the British Council partnered with the Shanghai International Film Festival (SIFF) to launch the 'UK Focus / 艺述英国' strand—an official film selection curated to showcase the innovation, diversity, creativity and excellence of UK screen culture to Chinese audiences.

The programme includes 6 films spanning documentary, arthouse, and social realism, representing the best of what the UK has to offer in terms of storytelling and filmmaking. The line-up include *The Prime of Miss Jean Brodie (1969)*, a restored British classic honouring the late Maggie Smith, *Hard Truths (2024)* by Mike Leigh, *Bird (2024)* by Andrea Arnold, *Santosh (2024)* by Sandhya Suri, and *On Falling (2024)* by Laura Carreira, alongside A Sudden Glimpse to *Deeper Things (2024)*, a new documentary by Mark Cousins. (Image © Shanghai International Film Festival)

Exchange screenings through international film festivals

- Electric Shadows: Leicester Chinese Film Festival
- Odyssey[65] by UK-China Film Collab[66]
- British Film Master Season in Shanghai[67] (funded by Shanghai Film Distribution and Exhibition Association and its Shanghai Art Film Federation, supported by UK-China Film Collab)

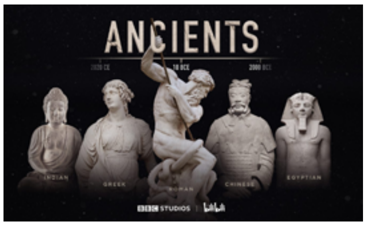
These events build mutual appreciation and often involve panel discussions, Q&As with filmmakers, etc. They foster dialogue, bring niche and independent work to new audiences, and build long-term trust between curators, critics, and filmmakers. Many are low-cost and highly relational, partially supported by cultural grants. (Image © Shanghai Art Film Federation)



Digital streaming and distribution

Partner: BBC Studios x Bilibili - *Ancients*[68] , 2020

At the 2020 Guangzhou International Documentary Film Festival, BBC Studios and Bilibili announced *Ancients*—their first international co-production featuring Chinese stories, following a strategic partnership agreement. China's streaming giants (iQiYi, Tencent Video, Bilibili) are increasingly looking for fresh content to attract subscribers. While direct access to these platforms can be difficult due to content regulations, UK distributors may explore licensing curated content—especially documentaries, biopics, children's films, or culturally adaptable stories that can be translated well to the Chinese audiences. (Image © BBC)



Institutions like the BFI[69] could also partner with the China Film Archive to co-restore and stream classic Chinese films—supporting cultural exchange while preserving heritage. (Image © BFI)