

The Experience of China's Top 30 Cultural Industries Enterprises in 2012

Hangzhou International Congress, "Culture: Key to Sustainable Development",
15-17 May 2013, Hangzhou, China

Pro.Fan Zhou,Fanzhou94@163.com

Dr.Yang Jianfei,gwyjf@126.com

Culture Development Institute, Communication University of China

Cultural industries enterprises are the significant parts of Chinese cultural industries, which made a huge contribution to China's development. Through the survey on China's top 30 cultural industries enterprises we found the commons of the top 30 and ways to be successful after the cultural system reform.

From 2008, the national daily paper Guangming Daily and Economic Daily publish the list of Top 30 cultural enterprises annually together. These enterprises are the best examples to show the main achievements of the industries and the progress of cultural system reform in recent years of China. Through the survey and case studies on China's top 30 cultural industries enterprises in 2012, it is quite clear to see the basic situation and development tendencies. These top 30 enterprises are playing more and more important role to promote cultural industries to become the polar industry in China' GDP.

Part 1 The Main Characteristics of These Top 30 Cultural Enterprises in 2012

These key enterprises are the main promoter of Chinese cultural industries.

According to the index of economic scales, net income and net benefit, these enterprises are becoming much stronger and the industries structure is upgrading, which make much contribution to the local development. Their development expresses new good achievements of Chinese cultural system reform and cultural industries in the past ten year.

1. From the perspective of ownership structure, the state-owned cultural enterprises take a high rate among the Top 30 and the rate of private ones is rising.

Among the Top 30 enterprises in the past 4 year, more than half of them are state-owned, of which nearly one third has been listed. This year, the number of state-owned and state-holding enterprises has reach to 24, taking 80% of the total

number. Meanwhile, there are 6 private ones in the ranking and takes 20% of the top 30.

2. From the perspective of economic aggregate, these enterprises develop quickly and become stronger.

Total income, gross profit and net assets of the 4th Top 30 this year has reach to 159.5 billion Yuan, 22.5 billion Yuan and 169.3 billion Yuan. Comparing with those figures of last year, these index all increase by 29.3% □ 64.2% □ 44.1%.

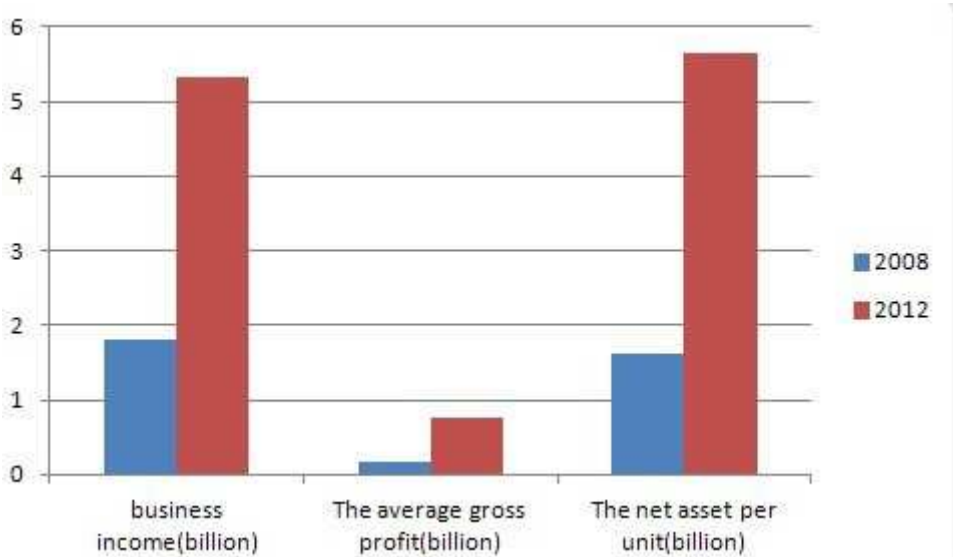
In 2012 the taxable amount was added for the ranking as a new index, which reaches to 15.4 billion Yuan.

Among the Top 30 enterprises in 2012, main business income pre unit increases to 5.316 billion Yuan from 1.82 billion Yuan in 2008.

The average gross profit of the 30 enterprises increases to 0.75 billion Yuan from 0.17 billion Yuan, which is 4.5 times than that in 2008.

The net asset per unit has reached to 5.643 billion Yuan from 1.62 billion Yuan in 2008, which increased about 4 times.

Table 1



And, the 23 enterprise selected in the last Top 30 are still the members this year, which takes 76.7% of the total number. And their three index all increased by 15.9% □53.5% and 21.5% than that last year.

From the change of the index of these Top 30 enterprises, it is quite clear that the power of cultural enterprises is constantly strengthened and developing

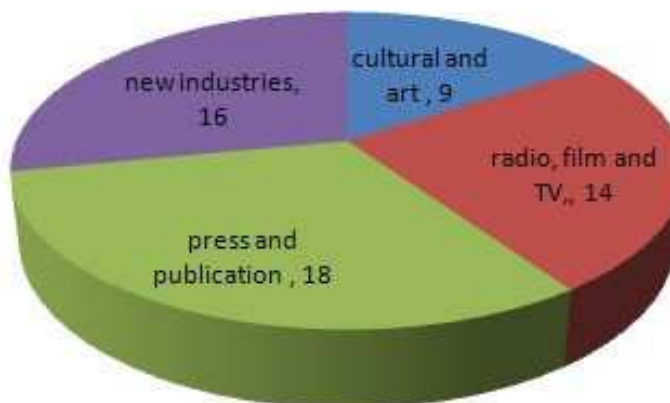
powerfully.

3. From the perspective of industries structure, Radio, Film & TV industry and Press & Publication Industry are still the main part while the new industry growing quickly

According to the categories of cultural industries by Chinese government, there are 67 candidate enterprises, including 9 cultural and art companies, 14 ones related to radio, film and TV, 28 ones affiliated to press and publication industry and 16 ones affiliated to new industries.

Table 2

69 Candidates



In the final list, among the 30 companies, the companies from cultural art, radio, film and TV , press and publication industry and emerging industry are 6,7,10,7 perceptively.

Therefore, radio, film & TV industry and press & publication industry are still the main units of cultural industries.

There are also another point needed be noticed. Emerging industry candidate enterprises increases to 14 with the fastest growth among the four industry categories. In the final list, there are 4 enterprises are affiliated to emerging industries among the 7 new comer. It is the first time for the 3 of the 4 enterprises to apply to this ranking and then be selected.

It shows that the sun raising cultural industries including digital publication, multimedia, animation and e-games, theme park and so on are Unlocking gradually. With the convergence of culture and technology and the integration of culture and tourism, the correlation effect of this new industry is becoming stronger.

Part 2 Reasons of Top 30's development

1. Cultural system reform unlock the potential of the state-owned cultural enterprises

Reform is the basic motive force of development. Before the reform, state-owned cultural enterprises are far away from the market and much resource is left unused. In December 2005, the CPC Center Committee and the State Council published the document Some Suggestions on deepening the Cultural System Reform, the reform was carried out across the nation. A large scale of state-own cultural enterprises turns to market-oriented ones after the reform. These enterprises enter the market and compete for resource, labor and capital to win its brand and benefit. The institution reform provides a strong force for cultural industries.

□ Upgrading Industrial Structure is the long-term mechanism to develop cultural enterprises

Upgrading Industrial Structure is main aim of cultural industries. With the requirement of the development and prosperous of culture, Chinese cultural industries are facing much challenges including the low conversion from culture resource to cultural industries, loosely relations between cultural industries and other business and the weak innovation ability. It the most important task for Chinese cultural industries to get further development by tackle these problems.

By useful resource allocation, the cultural industries should be upgraded by the development of cultural industries. Stimulating the convergence of culture and technology is a new policy to promote the culture development and prosperous since the 16th CPC

The convergence of culture and technology promote the growth of the new industries and the upgrade of industrial structure, which is a reflection that the ability of innovation is arising. Top 30 enterprises has get much benefit from the convergence of culture and technology.

Looking back on the forth Top 30 enterprises, they focus on the research of key technologies in cultural industries to upgrade the traditional film and TV, press, performing art and entertainment industries and promote the integration of

creative content and technology to produce good cultural product to compete.

3. *Win the Market* is the final aim of the cultural enterprises

Demand is the final force of development. Seeking and creating new demands is the most powerful weapons for this Top 30 to fight and win in the market. During these four years, the top 30 enterprises are becoming international to a large extent. No matter which industry they engages in, traditional or new one, most of these enterprises expand their business to the global market, and compete with international colleagues, establish branches in different countries, acquire millions of international consumers. They have been strong power to express Chinese culture and Chinese stories and also the important platform to meet the demand of consumers at home. Disseminating Chinese culture with the world view and Chinese aim is the historical

Part 3 the Tendencies of Chinese Cultural Enterprises

1. To further cultural system reform. Reform will pave the way to stimulus the state own cultural enterprises to become market-oriented. With the establishment of the modern company system, these kinds of enterprises will get more resource

from market competition, which will help to develop cultural industries.

2. One side, much more support given to national-owned and national-holding enterprise; the other side, governments should try to introduce more foreign capital and private capital to invest cultural industries. There should be a new industrial map of public owned economy as a main body and diverse ownership together.

3. Take full advantages of the opportunity of the convergence of culture and technology to promote the transitions and innovation of cultural enterprises, which is the main force to upgrade the industrial structure of Chinese cultural industries.