



**State of the Industry Remarks**  
**Senator Chris Dodd, MPAA Chairman and CEO**  
**Las Vegas, Nevada**  
**April 12, 2016**  
**As Prepared for Delivery**

First, thank you to my good friend, John Fithian, and all the members of NATO for ensuring a magical movie-going experience for audiences each and every day.

Last year at CinemaCon, I shared a series of “*I Make Movies*” spots the MPAA created to highlight the contributions made by the hard-working people who work behind-the-scenes on Hollywood films.

Over the past year, many of you have shown these spots in your cinemas, and I want to begin these brief remarks by thanking you for helping to make this initiative so successful.

Today marks the fifth year I have delivered a “state of the industry” address at CinemaCon.

This gathering each year of film producers, distributors, and exhibitors, a time to assess the conditions of the “business” of show business, is one of the highlights of my year as CEO of the Motion Picture Association of America. And this year, I am proud to say that the state of our industry is not only strong – but has never been stronger!

In fact, to paraphrase Mark Twain: some reports of the death of movies have been “greatly exaggerated”.

Storytelling – and the movie-going experience you make possible – are very much alive and well. Even with the incredible variety of viewing choices available to audiences, and the competition to fill consumer leisure time, people still love the communal, shared experience of escaping to a darkened theater, watching a great story unfold.

So, let’s get right to the numbers.

2015 was a great year for the global film community. Global box office set a record of \$38.3

billion – \$2 billion more than the previous record. North America’s box office set its own record with \$11.1 billion, up from \$10.4 billion in 2014. And internationally, the \$27.2 billion total was another record, up from \$26 billion.

These numbers clearly show that the international marketplace, which accounts for nearly three-quarters of global box office today, is only continuing to grow in importance.

Just consider the incredible growth in the Asia Pacific region. The Chinese market grew an astounding 49% last year – reaching \$6.8 billion, outpacing the next nation’s gross box office receipts by nearly \$5 billion.

China is now firmly on course to become the world’s largest film market within the next few years.

Other markets saw strong growth as well. The United Kingdom’s box office rose a healthy 7%, reaching a record-breaking \$2 billion. Latin America continued the tremendous growth we’ve seen the past several years, rising 13%. Argentina was particularly noteworthy with a 38% increase which, by the way, accounted for a quarter of the region’s growth.

There’s a lot to look forward to this year and beyond as well. We have already had major successes in 2016 – Fox’s “Deadpool,” Disney’s “Zootopia,” and Warner Brothers’ “Batman v. Superman: Dawn of Justice,” to name a few. Audiences are anxiously anticipating Fox’s “Birth of a Nation” and “X-Men Apocalypse,” Disney’s “Jungle Book” and “Captain America: Civil War,” Warner Brothers’ “Suicide Squad,” Universal’s “The Secret Life of Pets” and “Jason Bourne,” Sony’s “Ghostbusters,” Paramount’s “Ben-Hur” and “Star Trek Beyond.” I am confident we will have another great year with the help of these films.

In short, production, distribution, and exhibition not only are thriving, we are growing stronger, and we are doing it together.

How are we doing this? By relentlessly innovating.

Every year, Hollywood filmmakers challenge themselves to do better. To up the ante on storytelling ... on technology and special effects ... to discover new talent and new voices, new stories and new storytellers.

And you theater owners are also finding new ways of enhancing the audience experience – better sound ... better screens ... better amenities – and even special effects, like mist and vibration coming from your seats where audiences can feel and experience all of these innovations.

Together, film makers, distributors, and exhibitors make an exciting and a formidable team.

Which is why, in the midst of the digital revolution, the cinema still remains THE premier way to experience the magic of our movies.

Despite the noisy suggestions otherwise, the cinema provides a unique and powerful experience that just cannot be truly re-created elsewhere.

And, when someone tells you otherwise, remember this: movies are still a great value that continues to attract more Americans than all the theme parks and professional U.S. sporting events in this country combined.

Over the next several days, we will have the opportunity to enjoy some of the most highly anticipated films that audiences will experience in your cinemas this year.

Some of these movies will be great action adventures filled with state-of-the-art special effects, while others will be more personal and challenging, following our industry's long-standing tradition of provoking debate on important issues.

One issue that our country continues to face – an issue that affects many industries from many sectors – is the need to do a far better job of reflecting, recognizing, and cultivating the great wealth of diversity within our society.

To state the obvious, we can and must do a better job. But, on a positive note, our industry is taking healthy, productive steps to address the issue of diversity.

These steps must continue not just this year, but every year as we strive, in the words of our nation's founders, to create a more perfect union.

I say this because the film community has historically been a leader in addressing challenging issues. As filmmakers, distributors, and exhibitors, we can be very proud of the diverse, challenging stories we have created and shared for well over a century. We have told good and entertaining stories – but we have also told hard truths.

As all of us here can attest, we have seen how powerful films can be, urging us to think harder and be better. In 1947, *A Gentlemen's Agreement* tackled anti-Semitism, *Guess Who's Coming to Dinner* in 1967 confronted racism, or in 1999's *Boys Don't Cry* addressed the brutal murder of a transgender man.

I believe that Hollywood will rise to meet this challenge.

I have no doubt that in short order we will see incredible new stories and new talent on your screens.

And let me add that I have no doubt that we will do it in partnership with you, our friends in exhibition.

Time and time again, theater owners have been a vital part of urging our nation forward in provocative and constructive ways: courageously and willingly defying protests for screening controversial films.

And you have pushed the creative side of the industry for a greater variety of films that speak to your ever more diverse audiences.

So, while we challenge ourselves to do better here in the United States, we should not lose sight of the amazing growth of filmmaking and filmmakers occurring throughout the world.

Filmmakers of every creed and color are telling stories that transport us to different times and places – whether it's the Amazon Rainforest, Mars, or Auschwitz.

And through these storytellers, we can see more clearly that, as diverse as our individual experiences may be, we share common, universal challenges, victories, and emotions as human beings – and a common desire to share those stories.

Exhibitors are matching this growth in filmmaking with an ever-growing number of new screens on which to tell these stories.

Last year, the number of cinema screens grew by 8% worldwide to over 152,000, with exponential increases in countries like China where 16 new screens are being built every day.

But in order for these markets to continue to grow, we should not lose sight of the tremendous importance of protecting our content.

Recent studies at Carnegie Mellon University have shown that box office receipts would be 14 or 15 percent higher without online piracy.

That is a potential \$1.5 billion increase in box office receipts in the United States. \$1.5 billion dollars more for cinemas, studios, and importantly, the 1.9 million Americans whose daily jobs depend on our industry.

And if a movie is stolen by a pirate site before it is released, the damage is even worse – roughly 20 percent worse, than if the film were pirated later.

NATO, and you the theater owners, have been steadfast partners in curbing the illegal camcording of full-length movies – and on behalf of my studio members, I thank you again for these efforts. We deeply appreciate the commitment shown by NATO members and your employees.

Losses from piracy don't just hurt the big blockbusters and the megaplexes. They do massive damage to the smaller, more diverse films being produced around the world, not only the people who make these films, but also people like you who exhibit them.

The story of our movie industry is a remarkable one. Creating great stories and bringing them to a global audience requires a sense of mission, passion, creativity, and very hard work.

As Chairman and CEO of the Motion Picture Association of America, I want to thank each of you for being such a critical part of this story.

Now, I have the great pleasure of introducing a very good friend; the President and CEO of NATO, John Fithian.