Bollywood boycott dulls Indian screens

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MUMBAI, India —
Bollywood producers and Indian multiplex officials said Friday they resolved their dispute over revenue sharing, ending a nine-week boycott on new film releases in the movie-mad country.

"The strike has been called off," said producer Mukesh Bhatt, who chairs the United Distributors and Producers Forum. The coalition of Bollywood filmmakers has been pushing multiplexes, which account for about two-thirds of India's box office revenues, to give filmmakers a greater percentage of ticket sales.

New films will be released starting June 12. Bhatt said the strike delayed the release of 45 films.

"Both sides were realizing that this stalemate is not in the interest of either side," said Deepak Asher, president of the Multiplex Association of India and director of INOX Leisure, which operates 27 multiplexes across the country.

The strike left Indian audiences - who spend an estimated 63 billion rupees ($1.27 billion) each year at theaters - with a tepid array of aging Hollywood blockbusters and regional films to choose from. It also sent theater occupancy rates plummeting below 15 percent.

Producers estimate the boycott cost the industry $40 to $60 million in lost revenue. Others note that it was incredibly well timed: Few movies get released during April and May because the Indian Premier League cricket season keeps audiences glued to their television sets.

Under the new deal, producers and multiplexes will split revenue equally during the first week after a film's release, said Amit Khanna, chairman of Reliance Entertainment, which has both film production and multiplex divisions.

Producers will get 42.5 percent in the second week, 37.5 percent in the third week, and 30 percent the fourth week and beyond.
Multiplex owners had pushed for performance-based fees, and they got their way. If a film grosses more than 180 million rupees ($3.7 million) at multiplexes during its first run, which typically lasts a month in India, producers will get an additional 2.5 percent of revenues for the first two weeks of ticket sales. If the film grosses less than about 90 million rupees, multiplex owners will get a rebate of the same amount, Khanna said.

Until now, revenue splits have been negotiated on film-by-film basis.

Khanna said Friday's deal furthers the professionalization - and growing corporate nature - of Bollywood.

"When you try to introduce rules in a chaotic set up, it's always painful," he said.