

China sets up animation, performing arts, cultural communication giants

China established a state-owned cartoon conglomerate, a performing arts group and a big cultural communication company Thursday.

The joint-stock venture, China Animation Group Corporation, has developed from two market-oriented companies affiliated with the Ministry of Culture.

"The merger has been spurred by market demand, years of accumulation and government support," said Ouyang Jian, vice minister of culture.

China currently has about 10,000 animation companies but most of them are small ones lacking in marketing capability and originality.

"The animation industry is also of great importance to the growth of the teenagers," Ouyang said, "This is also a reason for our decision."

With the flooding of western cartoon products in the Chinese market, China's domestic animation industry has posted deficit since the 1980s.

The Chinese government has made an annual investment of 200 million yuan (29 million U.S. dollars) into the cartoon industry since 2006 to boost original animation and facilitate the development of domestic companies.

Two other state cultural giants, China Oriental Performing Arts Co., Ltd and China Cultural Communication Group Corporation, were also set up Thursday.

Source: Xinhua