

# LEISURE



Clockwise from top left: Kamal Haasan, Karthi, and other stars of the movie 'The Best of Luck My Friend' with Khan and Aamir Khan support the producer UTV's Kammy on schedule to release in July

## FILM



### DUBAI Bindu Rai

It's been 38 days since Bollywood fans gorged on their weekly diet of high-faceted drama and that seasonal mix of musical kitsch.

Any enterprising producer could build a big-budget movie based on such gripping circumstances. But unlike real-life reality bites and the world's biggest film industry is learning this the hard way. Swallowing losses worth Rs500 million (Dh37m) since the April 3 production strike, new Bollywood releases have grinded to a halt in the war against India's multiplex cinema owners over revenue sharing. Filmmakers are demanding a 50 per cent share in total profits, while multiplexes agree to that number for the opening week.

That figure increases twofold when you factor in auxiliary industries like hourings, public relations and television advertising. Analysts predict, if not resolved soon, the industry stands to lose over Rs2.5 billion in the upcoming high stakes game of summer blockbuster glory.

Blockbuster glory. Acting between the warring parties went bust on Tuesday, Bollywood added this blow to the crippling credit crisis that has crippled the industry with a drastic 30 to 40 per cent drop in new films being produced - a case of investors keeping their purses closed.

The question begs to be asked: Is it lights out for big-budget Bollywood drama? Not quite yet. Producers will now take a cut in profit by re-

leasing new films in single-screen theatres across India.

"Our talks have stalled," said Mukesh Bhatt, official spokesperson of the Producers and Distributors Forum, in a recent interview. "We are looking at releasing films in single screens and independent non-national multiplexes in two weeks."

When Emirates Business contacted Siddharth Roy Kapur, CEO of UTV Motion Pictures, India's largest production house, he confirmed the news, saying, "We are releasing our forthcoming cinema and plans are currently being drawn up."

Yet, Kapur denies any of their films have been stalled. Single cuts a lonely figure, and for an industry that banks on the billions raked in by multiplexes, Bollywood may be in for a rough ride.

For UAE audiences though, this is certainly good news during the summer, where cinema features high on the list of "outdoor" activities. "I wasn't sure what I would be doing for two months had they decided not to release any movies until this strike is resolved," says student Meenani Chandan. "I'm waiting to catch *Kambhakar Isht*."

This Sajid Nadiadwala's mega-budget film is reported by one such project affected by the strike. The film stars Akshay Kumar and Kareena Kapoor, along with Hollywood's Sylvester Stallone. Yash Raj Films' Job Abraham-Karthika Koj starters, New York had also been put on the back burner. Last month, actors Aamir



As the film production strike enters its fifth week, a temporary solution has been drafted. But can the industry survive the crisis?

# Is it lights out for Bollywood?

**Rs500m**

Estimated losses incurred by Bollywood in one month of the production strike

**Rs2.5bn**

Analysts predict Bollywood losses could reach billions if not resolved by summer

## DVD SALES GET A BOOST

With the ongoing boycott of multiplex cinema by Bollywood producers, DVD sales and the video rental market in India have benefited. Sangram Patil, a manager with online DVD rental company Seven Gym in Mumbai, says, "The strike is working to our advantage." The DVD market was estimated to be worth Rs6 billion in 2008 and is forecast to double to Rs16bn by 2013, according to KPMG. Reliance Anil Dhirubhai Ambani's Big-Flix.com and Moser Baer have ruled the home entertainment arena for three years. Long-term profits from the strike remain to be seen. (Reuters)

# THE GOLDEN TRUTH

## EXPERTS EXPLAIN THE INS AND OUTS OF INVESTING IN GOLD AS DEMAND SOARS

### Which factors influence retail consumers to invest in gold even during a recession?

**Watson:** People traditionally turn to gold when confidence is low in the banking sector. People worry that their money may not be safe with a bank, so they move it to gold as it is a tangible asset. This is not advisable, though, as you are much less likely to make a profit.

**Gavankar:** Gold has always been a very safe form of investment. Unlike equities, bonds and other document-related investments, gold is 100 per cent safe. If equities and bond prices crash the return is zero as these types of investments are highly volatile. Even if gold rates go down they will drop marginally for a very short time and then go up again. There is no depreciation in gold as the rates have a uniform international standard, which makes investors feel secure.

### A lot of people have bought gold during the economic slowdown. How long do you think this bullish rally will continue?

**Wozniak:** Gold is expected to remain a popular investment due to its role as a safe haven and protector of wealth. Prior to the credit crisis many investors did not regard gold as a mainstream asset. However, this is now changing. Gold has shown that it can play the role of crisis insurance in portfolios, providing access to liquidity at a time when other assets have fallen sharply in value and may be difficult to sell.

**Umi:** There has certainly been an investment craze in the bullion markets recently and that has been entirely on the back of the global financial instability and associated risks of parking funds in other asset classes. If prices remain firm we will see the level of investment growing as we progress through 2009, which might push prices further north. In a nutshell, a sustained uptrend in gold is a distinct possibility.

### Is now the right time to buy gold, and if so why?

**Watson:** Now is not a great time to buy if you are seeking quick gains as the price has spiked dramatically in the past couple of months as people have moved away from traditional savings schemes.

**Umi:** If someone is buying gold purely for investment purposes with a time frame of about three to five years, at current prices, it's the right time to buy. But the investor must have enough capital to hold on to the asset over the time frame.

### How does one make a profit out of gold and what is the recommended time period to hold it?

**Patil:** Gold investment can take many forms and some investors may choose to combine two or more of these for flexibility. The distinction between buying physical gold and gaining exposure to movements in the gold price is not always clear, especially since it has always been possible to invest in bullion without actually taking physical delivery.

**Wozniak:** There is no recommended length of time to hold gold - the duration of your investment will depend on your overall investment strategy. But it could be argued that some exposure to gold is recommended for as long as you wish to benefit from the security and protection it can provide.

## THE EXPERTS

- Sujay Patil**, Senior Manager, Corporate Banking, Diamonds and Precious Metals Unit of HSBC Bank Middle East
- Ngel Watson**, Sales and Marketing Director at consultancy firm Nexus
- Ole Sloth Hansen**, Futures Manager at Saxo Bank
- Mangesh Gavankar**, Head of Sales and Marketing, Emirates Gold, DMCC
- Pradeep Umi**, Senior Research Analyst and Trader at Richcomm Global Services, DMCC
- Rozanna Wozniak**, Investment Research Manager, World Gold Council