

Hollywood Goes Global

HOLLYWOOD MOVIES HAVE always been a quintessentially American product, but globalization has changed the economics of the industry. By 2020, more than 70 percent of total ticket sales for Hollywood blockbusters will come from foreign ticket sales—up from 50 percent in 2000. Some movies (e.g., *Transformers: Age of Extinction* [2014] and *The Fate of the Furious* [2017]) grossed 80 percent of total box-office receipts overseas. Of the total \$42 billion that Hollywood movies grossed in 2018, more than \$30 billion (71 percent) came from outside the United States. Today, Hollywood would be unable to continue producing big-budget movies without foreign revenues. Foreign sales now make or break the success of newly released big-budget movies. In particular, big-budget movies must do well in China, which has become the largest market globally.



The Marvel movie *Avengers: The Endgame* broke all records in its release year. It is set to become the highest-grossing movie ever. Over 70 percent of its box-office revenues are from outside the United States.

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The Avengers: Endgame (the Marvel movie that was released in 2019 and grossed over \$2.5 billion by that summer) is on track to being the highest-grossing movie of all time. The movie's international performance, which brought in \$1.75 billion of total sales (70 percent), testifies to the power of foreign revenue. In India, *Endgame* has been shown in English and translated to three other Indian languages. In China, it is currently the highest-grossing import movie.