

**John Orange**

**To:**

**Subject:** Cineworld/City Screen Merger Inquiry

**Dear Mr Cliffe,**

I write with reference to the Provisional findings, on which you invite comments, made on 20 August 2013 with particular reference to the market for cinema services in Bury St Edmunds.

I have the following comments and observations;

1. Cineworld and the Picture House in Bury occupy 2 distinct and separate market segments. The former caters for popular mass audiences predominantly young with several screens available. The latter (it only has 2 screens) caters to a smaller, yet not insubstantial, and usually much older audience with markedly different tastes eg for non mass audience, specialised, films, often foreign, which would not be and are not of interest to Cineworld audiences. And it also shows relays of operas and ballet (and also theatre) performances which would otherwise be unavailable to this different audience and which are very popular with them, to the extent that they are regularly sold out weeks before screening.
2. To such an audience as I have just described price is not the most important issue, although of course it is not insignificant. More important perhaps are the quality of the entertainment offered, the comfort of the surroundings (the Picture House has the most comfortable seats of any cinema or theatre that most of its patrons have ever experienced), the quality of food and drink available and the relatively intimate ambience which Cineworld does not possess. The Picture House staff too play an important part in creating that appealing environment.
3. In any event most Picture House patrons are unaware that there has been any material increase in the price of seats since Cineworld took over City Screen at the end of last year - and if indeed there has been they clearly have either not noticed or do not mind since audience numbers have if anything grown over that period.
4. The Picture House occupies a unique site in the centre of Bury which is easily accessible to many of its elderly patrons who can and do walk to it, which is not quite the case with Cineworld.
5. If the Picture House were forced to close by reason of Cineworld being obliged to divest it under any Competition Commission ruling, there would be no alternative outlet available for its specialised clientele. For the reasons set out above the Cineworld is not an alternative for them and other venues, even if available, in places such as Cambridge, Ipswich or Haverhill, are simply too far away.
6. It is very much to be doubted whether City Screen could find a willing buyer on suitable terms for just 3 of its cinemas (if divestment by Cineworld were ordered) in which case the only option available to them would be to close those Picture Houses. That option as I have tried to demonstrate above would be unduly harsh and unfair on the present clientele and the staff of the Bury Picture House and would have clearly no effect at all in increasing competition in cinema services in the Bury St Edmunds area.
7. If despite all the above reasoning it is still maintained that there is a potential lessening of competition in the 3 places referred to in the Provisional findings, then in my opinion a far

better way of achieving the necessary degree of pricing competitiveness would be to seek an undertaking from Cineworld to maintain price levels obtaining as at the time of their takeover of City Screen for a period of time with due allowance made for inflation, upgrades to facilities etc.

But as I have already pointed out I believe that price is far from the prime consideration in the case of the Bury St Edmunds Picture House.

Yours sincerely,

John Orange