

## NATO STATEMENT ON CORONAVIRUS AND THE MOVIE THEATER INDUSTRY

(Washington, D.C. and Los Angeles, Calif.- 17 March 2020) With the pandemic Coronavirus outbreak, the world is facing a difficult and trying time. As the virus takes hold in different regions at different times and in varying degrees of severity, people and public health officials are grappling with decisions about when to close public-facing businesses and when to restrict personal activity. As with other businesses that serve large groups of people, movie theaters have faced voluntary and mandated restrictions and closures. The majority of movie theaters have now closed. This industry will continue to meet its responsibilities to the public and will abide by public health mandates and adapt to local conditions.

Our partners in movie distribution have postponed major new releases in response to the Coronavirus situation in markets around the world. Other titles beyond the immediate horizon have not changed their release dates.

Although there has been speculation in the media that the temporary closure of theaters will lead to accelerated or exclusive releases of theatrical titles to home streaming, such speculation ignores the underlying financial logic of studio investment in theatrical titles. To avoid catastrophic losses to the studios, these titles must have the fullest possible theatrical release around the world. While one or two releases may forgo theatrical release, it is our understanding from discussions with distributors that the vast majority of deferred releases will be rescheduled for theatrical release as life returns to normal.

When those titles are rescheduled, they will make for an even fuller slate of offerings than normal as they are slotted into an already robust release schedule later in the year.

No one can precisely predict when public life will return to normal, but it will return. The social nature of human beings – the thing that exposes us to contagion, and that makes it so difficult to change behavior in response to pandemic threats – is also the thing that gives us confidence in the future. People will return to movie theaters because that is who people are. When they return they will rediscover a cutting

edge, immersive entertainment experience that they have been forcefully reminded they cannot replicate at home. In the uncertain, difficult economy ahead, movie theaters will fill the role they always have in boom times and in recessions – the most popular, affordable entertainment available outside the home.

While movie theaters will suffer some financial harm in the near term, and many of their 150,000 employees will face personal hardship, when this crisis passes and people return to their hard-wired social nature, movie theaters will be there for them as they have always been, with a full slate of movies far into the future.

### **ABOUT NATO**

The National Association of Theatre Owners is the largest exhibition trade organization in the world, representing more than 33,000 movie screens in all 50 states, and more than 32,000 additional screens in 98 countries worldwide.

Headquartered in Washington, D.C., with a second office in North Hollywood, California, NATO represents its members in the heart of the nation's capital as well as the center of the entertainment industry. From these vantage points, NATO helps exhibition influence federal policy-making and work with movie distributors on all areas of mutual concern, from new technologies to legislation, marketing, and First Amendment issues. [www.natoonline.org](http://www.natoonline.org)

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