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China state TV launches joint venture with sports giants IMG

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By Nick Mulvenney

BEIJING, May 26 (Reuters) - Chinese state broadcaster CCTV reinforced its dominance of the domestic sports market on Tuesday with the official launch of a joint venture with global sports management giants IMG Worldwide.

CCTV, which claims a viewership of 850 million, is already seen as being able to make or break sports events in China by the level of coverage on its sports channel CCTV 5.

"We own the resource-richest channel in the world in CCTV 5, which holds 85 percent of the Chinese sports TV market," said channel chairman Jiang Heping, who will head the new venture.

The IMG-CCTV Sports Management Group will combine that reach with the expertise of IMG, who manage the likes of golf number one Tiger Woods and organise 4,500 events a year around the world, including the Wimbledon tennis championships.

"It's unique," IMG chairman Ted Forstmann told reporters. "They reach many millions of people, sponsors want to reach many millions of people and we can put on the events.

The first event managed by the new group will be October's revamped China Open tennis tournament, a mandatory event for the top 50 women players. World number one Rafael Nadal is confirmed for the men's competition.

"CCTV-IMG will invest media resources worth hundreds of millions of yuan in the China Open to make it one of the most influential world tennis events," Jiang said.

IMG said its financial investment in the 20-year joint venture was "modest".

Other events in the pipeline are slamball -- a form of basketball played on trampolines -- polo, a "Stars on Ice" skating show, a motor rally from Rotterdam to Shanghai and a martial arts league "Wushu Masters".

"Properly done, properly televised to the number of people CCTV covers, sponsors will sponsor these types of things," Forstmann said.

He added that he was not overly concerned about the impact of the global economic downturn on sponsorship spending, and said he thought that eventually China could be a bigger sports market than the U.S.

"The Chinese sports industry is nascent, I think it's going to grow substantially, as the middle class grows," he said. "I think it's the ideal time to start here."

(Editing by Barry Moody)

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