

Tens of thousands laid off as major exhibitor Cineworld closes movie theaters in US and UK

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Cineworld Group, which owns Regal Cinemas, announced Monday that it would suspend operations in all of its movie theaters in the United States and United Kingdom beginning this Thursday.

Cineworld is the second-largest movie-theater company in the world after AMC, and the closures mean the laying off of approximately 40,000 workers employed in 536 theaters in the US and 5,000 workers at 127 theaters in the UK.

In a statement, Cineworld said that it could not provide customers “with the breadth and strong commercial films necessary for them to consider coming back to theaters against the backdrop of Covid-19.” This “backdrop” includes the escalation of new coronavirus cases in both the US and the UK.

Cineworld’s stock shares fell by as much as 60 percent in London following the announcement, and there is concern that the company will never recover. Cineworld employees were shocked and angered by the news. A collective of workers in the UK, the Cinema Action Group, tweeted on Saturday that “there has been no consultation with staff whatsoever.”

“We have found out vital information about our jobs from the media throughout the pandemic,” another tweet reads. “Workers have been left out of the discussions that should’ve included our voices. However, in this case it goes beyond belief. To find out you may no longer have a job from the media is awful.”

The announcement came just days after the latest James Bond film, *No Time to Die*, was delayed until spring of 2021. This was only the latest in a series of postponements of major commercial “blockbuster” releases in cinemas. Other films that have been delayed include *Black Widow*, *Wonder Woman 1984* and

Candyman. The financial jury is still out on whether Disney’s digital release (in the US) of *Mulan* has been an “unmitigated disaster,” in the words of one commentator, or has turned out to be “good,” as another asserts.

In general, the global film industry has been turned upside down by the pandemic.

Christopher Nolan’s *Tenet* opened in 70 countries in late August and in the US in early September. The film, apparently one of Nolan’s bloated, “mind-bending” extravaganzas, will reportedly need to bring in some \$500 million in revenue to break even. As of October 5, it had grossed a worldwide total of \$307.7 million.

According to ScreenRant, “Major markets like New York City and Los Angeles haven’t reopened theaters at all, and...states that have resumed operations are only allowing limited capacity. *Tenet* only managed to bring in \$10 million during its opening weekend in North America.” *Tenet*’s performance, reports the same website, hurt many theaters that reopened specifically to show it, “as the film’s box office take suggests that many theaters are operating at a loss to showcase the movie. Seeing how there isn’t another big release slated for a couple of months—and potentially more if releases get delayed again—many theaters are set to be losing money in the upcoming weeks.”

These financial difficulties and uncertainties form the background to Cineworld’s decision. In effect, the livelihoods of 45,000 workers and their families depend on the fate of a handful of empty superhero or comic book movies and such.

Cineworld CEO Moshe (Mooky) Greidinger said in a statement that his company would “resume operations...at the appropriate time, when key markets

have more concrete guidance on their reopening status and, in turn, studios bring their pipeline of major releases back to the big screen.”

This statement shows that the “appropriate time” has little or nothing to do with worker or customer safety and is being determined by the lack of profit that has accompanied the drought in the commercial film industry.

Cineworld initially closed its theaters for several months when the coronavirus lockdowns began earlier this year. It began reopening its cinemas in July with supposed new “safety” protocols in place. About 200 theaters, mostly in California and New York, have never reopened since the beginning of the pandemic.

In an interview with *Deadline*, Greidinger blamed the company’s closure decision squarely on Governor Andrew Cuomo of New York who has been “inflexible,” according to the Cineworld CEO, on the issue of reopening movie theaters. Greidinger complained, “The main thing blocking the studios is that they don’t see movement in New York—and in some other places—but New York is kind of the symbol. Even California is already 50 percent open.” The layoff announcement may well be an effort in part to pressure Cuomo into changing the policy.

Last month, Cineworld reported a loss of \$1.6 billion during the first half of 2020 due to its revenue dropping by 67 percent. In its statement issued Monday, the company reported that it was “assessing several sources of additional liquidity and all liquidity raising options are being considered.”

AMC also saw its stock fall by 10 percent Monday morning due to the announcement made by Cineworld. The S&P Global Ratings had already lowered its issuer credit rating of AMC last Friday. The ratings agency explained that AMC could run out of liquidity over the next six months unless it raises additional capital or movie attendance levels substantially improve. AMC’s stock has plunged a total of 41 percent this year. Both AMC and Cineworld, says *Deadline*, were already “carrying immense debt before the pandemic.”

AMC and the third-largest movie exhibitor in the US, Cinemark, announced Tuesday they intended to keep their theaters open.

Many workers, including those employed with rival movie theater chains, tweeted in support of Cineworld workers. One wrote: “I work for Vue, but all of my

solidarity and support goes to you guys. No doubt the same news awaits us sooner rather than later. We’ve been treated horrifically throughout this pandemic, and we deserve better.”

A former Cineworld employee tweeted: “Cineworld were never and have never been about the Staff, glad I left them when I did. ... So sorry for the rest of you guys, you are just a number to them.”

Another supporter wrote: “This is unacceptable. I bet the board of executives will make sure to stuff their golden parachutes with as much filthy lucre as they can, while the average worker fears starvation and lack of medical care. TAX THE RICH MORE and stop Corp. welfare!”

Cineworld is leaving about 100 locations open in Poland, the Czech Republic, Slovakia, Hungary, Bulgaria and Romania. However, 90 percent of the company’s revenue was generated in the US and Britain last year.

The British government recently announced a new job support program which would allow employers and the government to share the cost of maintaining wages of workers who have reduced hours due to the pandemic. However, Greidinger told staff in Britain that the program “cannot work for us when we have almost no income.”

Greidinger’s total compensation at Cineworld Group Plc was £2,109,000 (\$US2.7 million) in 2019, and he, along with his brother, owns 29 percent of the company.



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