FILM MARKET TRENDS AND FILM FUNDING
IN 4 SELECTED EUROPEAN COUNTRIES

André LANGE
Head of Department for Information on Markets and Financing
European Audiovisual Observatory

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OBSERVATOIRE EUROPÉEN DE L'AUDIOVISUEL
EUROPEAN AUDIOVISUAL OBSERVATORY
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THE EUROPEAN AUDIOVISUAL OBSERVATORY

Who we are

… a pan-European public service body operating within the legal framework of the Council of Europe (Enlarged Partial Agreement)

… financed by 39 European Member States and the European Union, represented by the European Commission

Mission

… to increase transparency by providing information about the European audiovisual sector: TV, Cinema, Video, New Media

What we do

… collect and prepare key facts & figures covering our 39 Member States

… follow relevant legal developments on the national as well as pan-European level

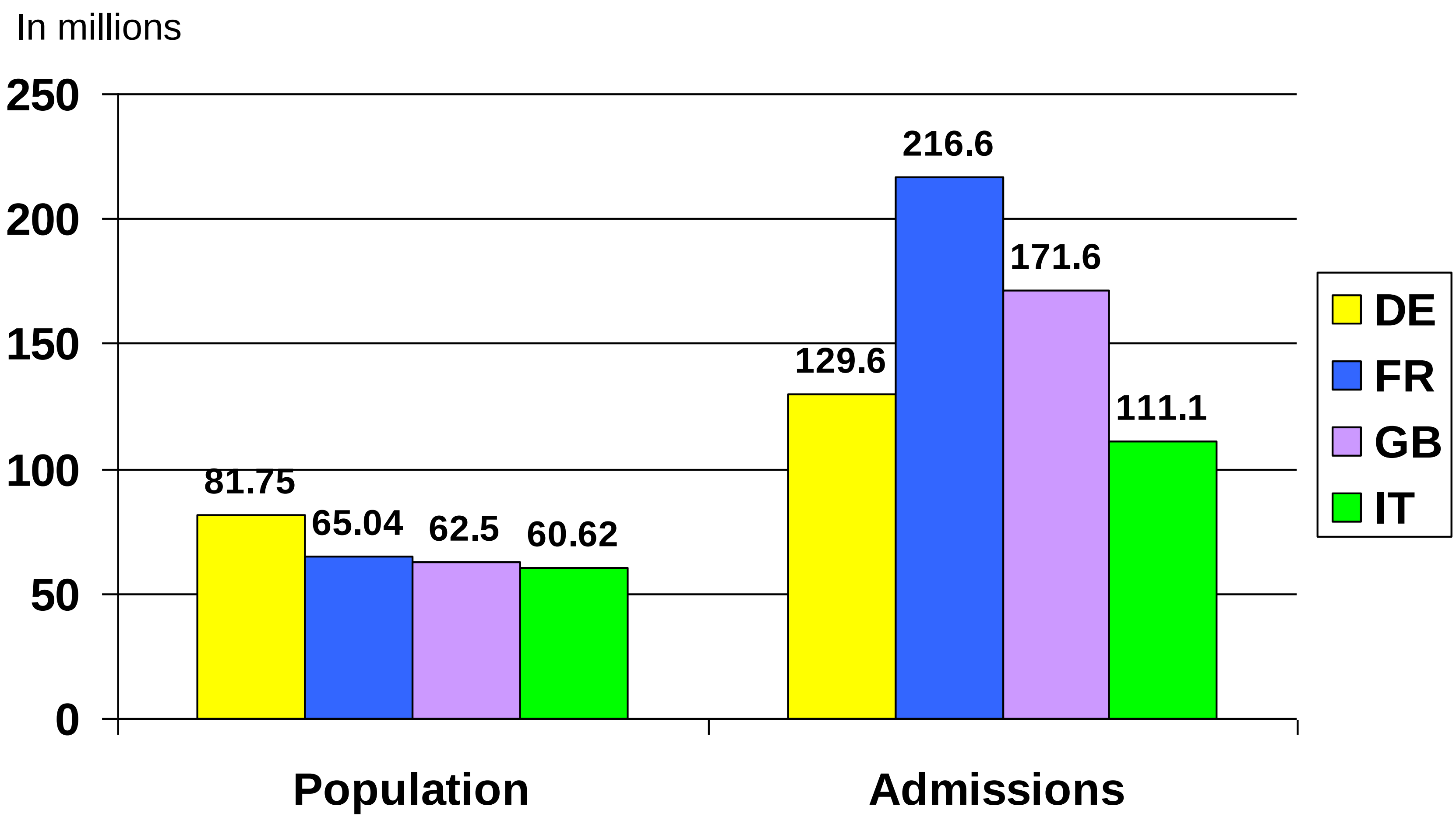
CONTENTS OF THIS PRESENTATION

- Focus on four selected European countries: France, Germany, Italy and United Kingdom
  - Market figures (production, distribution, exhibition, market shares)
  - Description of funding policy
  - Comparison of film export on European and non-European markets

Please note that all 2011 data in this presentation should be considered as provisional. Definitive data will be published in the Observatory's 2012 *Yearbook.*

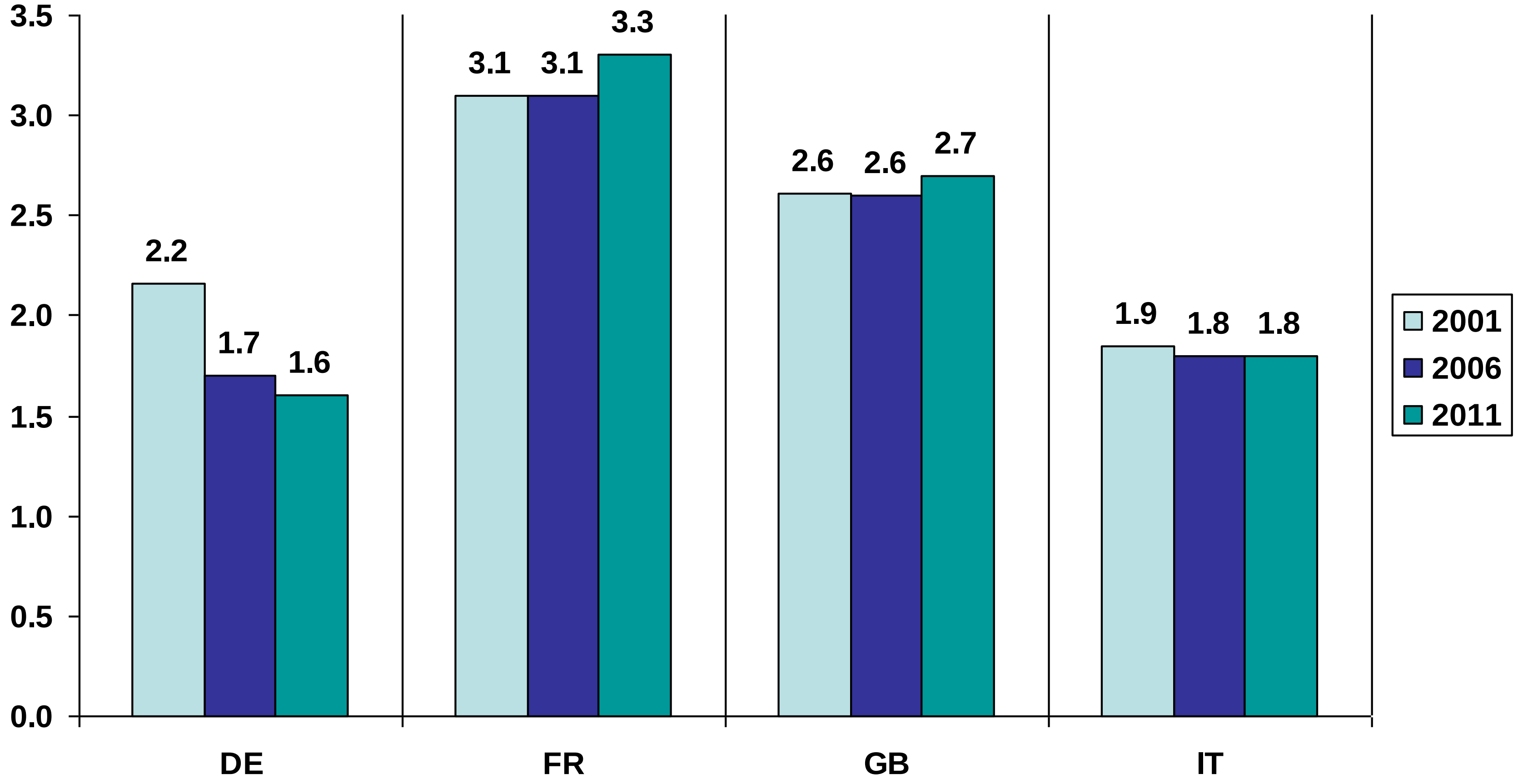
BASIC DATA: POPULATION AND ADMISSIONS (2011)

Sources: Eurostat and European Audiovisual Observatory



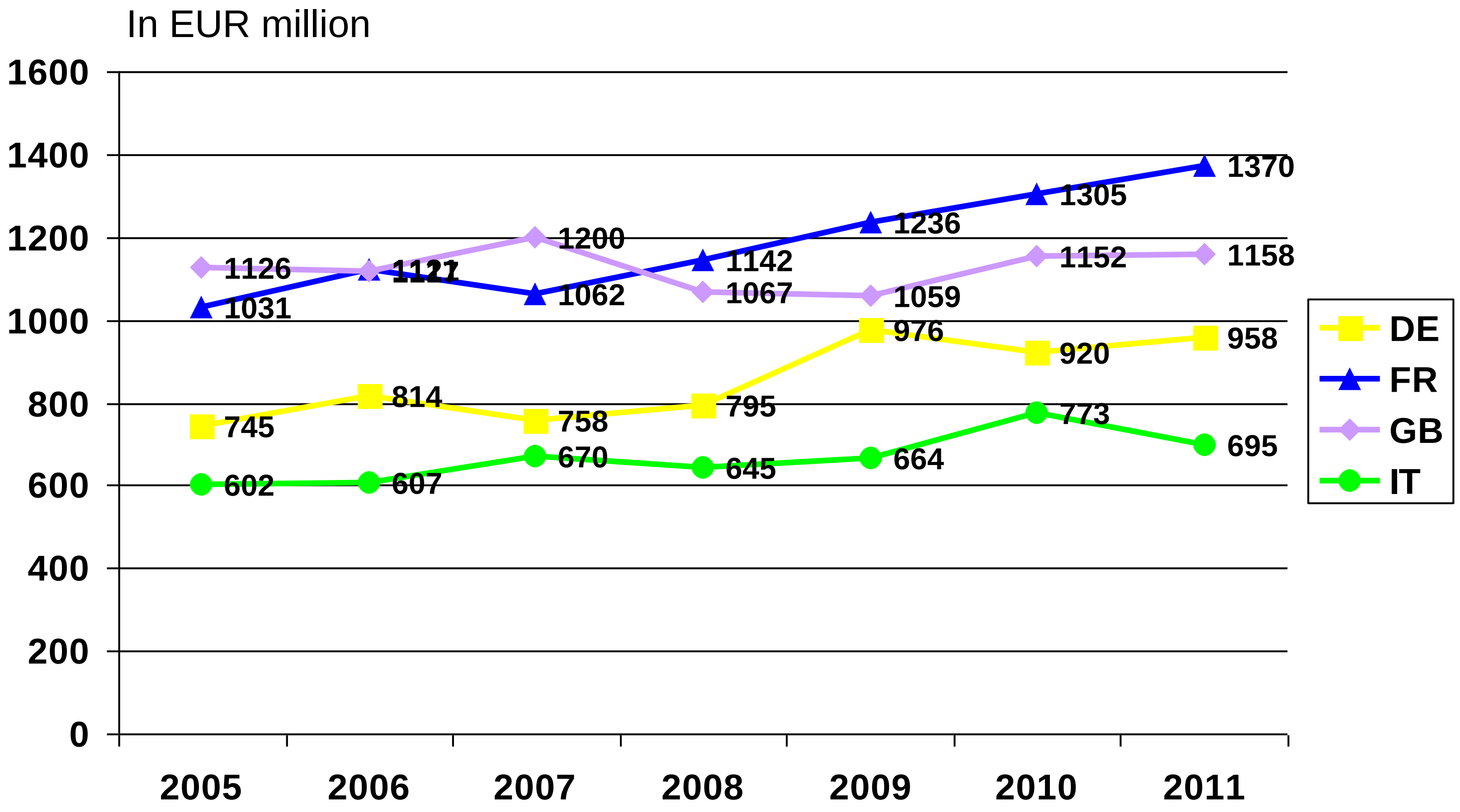
AVERAGE ADMISSIONS PER CAPITA (2001-2011)

Source: European Audiovisual Observatory



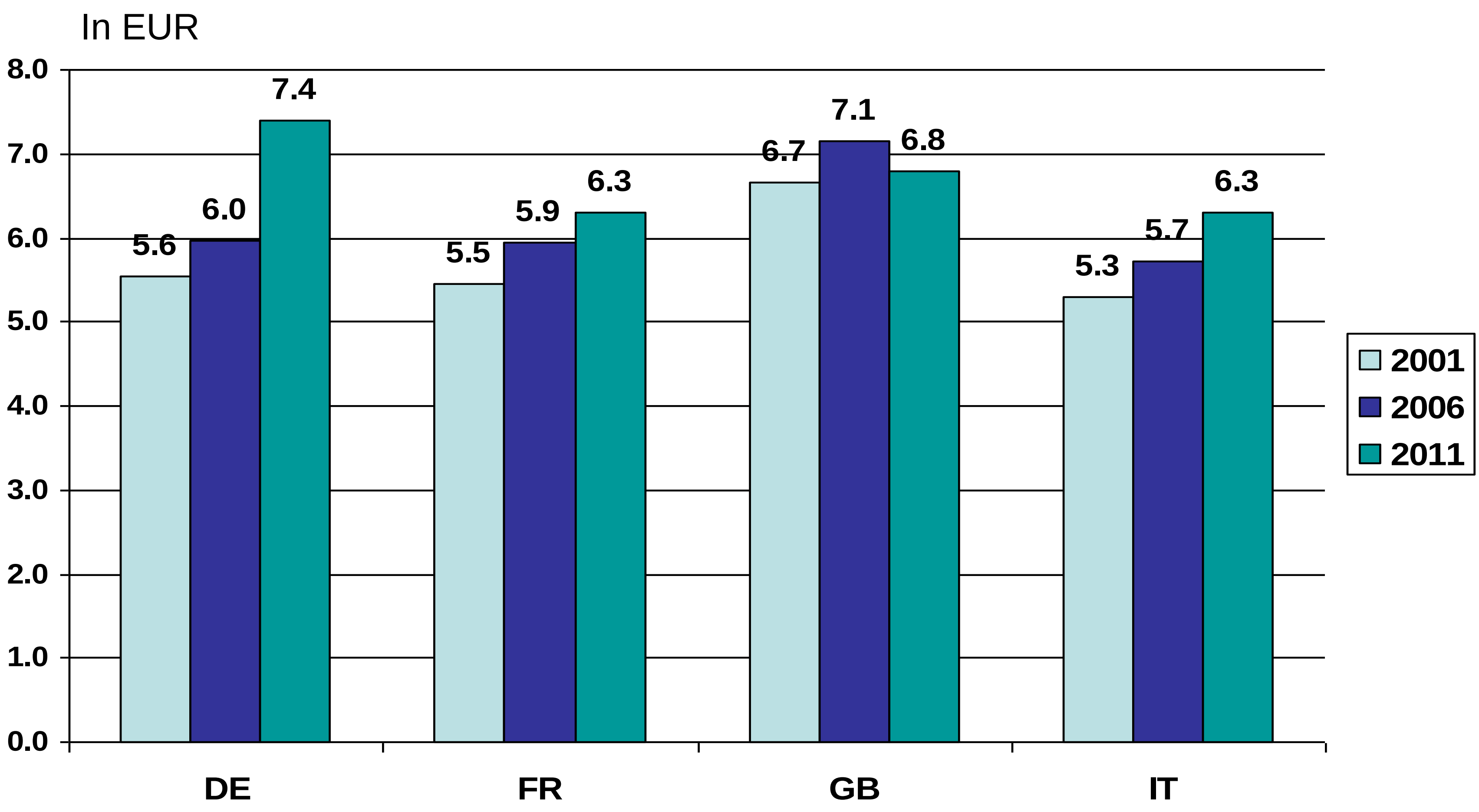
GROSS BOX-OFFICE (2005-2011)

Source: European Audiovisual Observatory



AVERAGE TICKET PRICE (2001-2011)

Source: European Audiovisual Observatory



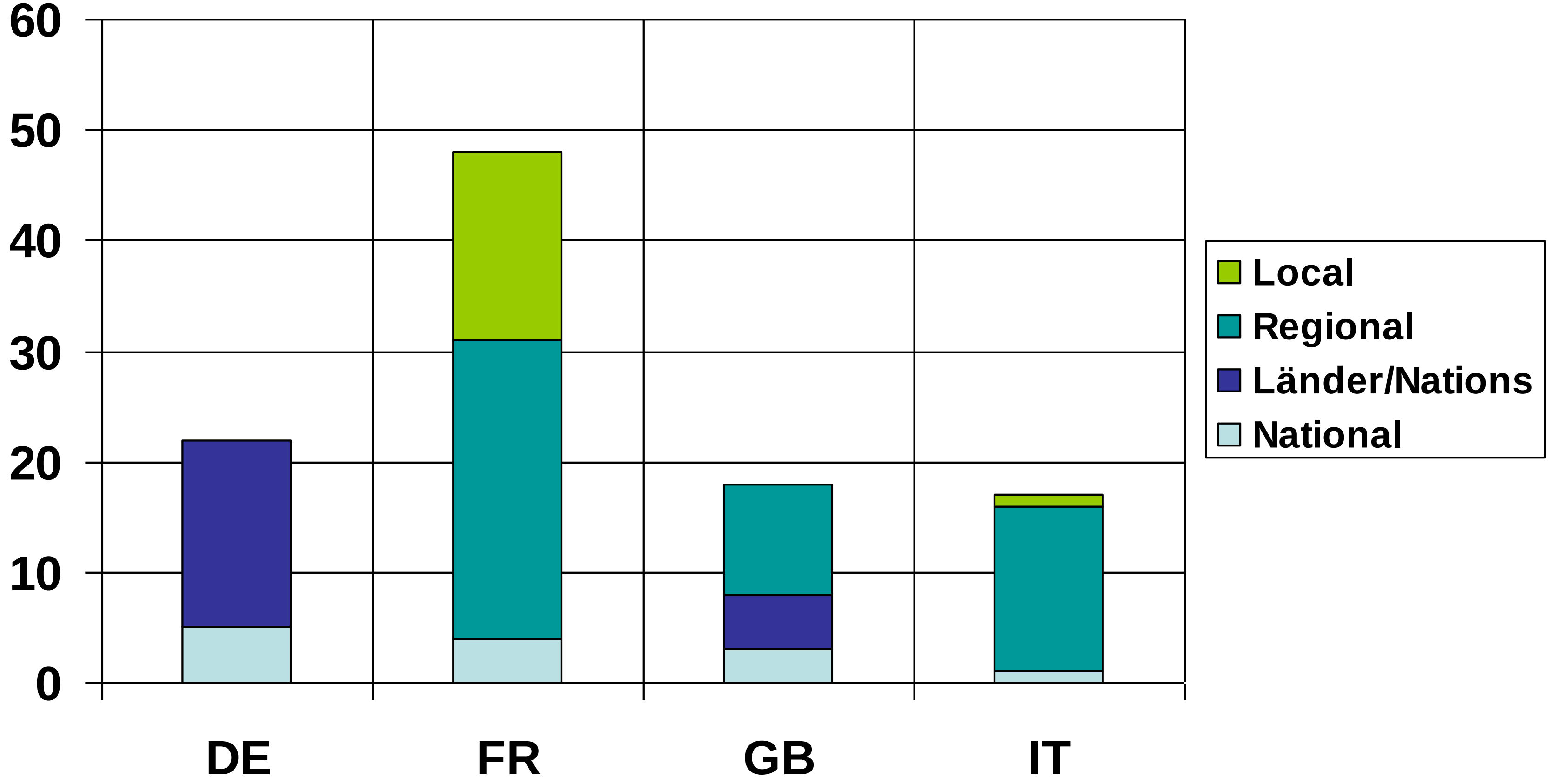
COMPARING FILM POLICIES REQUIRES PRUDENCE

Film policy is not only direct public funding but includes also:

- Fiscal incentives
- Regulation of the relations between the various branches of the AV industry
- Protection of IPR – the fight against piracy
- Promotion of international co-operation (co-production policy)
- Promotion of the circulation of films (including international promotion)
- Support to festivals
- Film literacy
- Training
- Policy in relation to archives

NUMBER OF PUBLIC FUNDING ORGANISATIONS (2009)

Source: European Audiovisual Observatory (KORDA database)



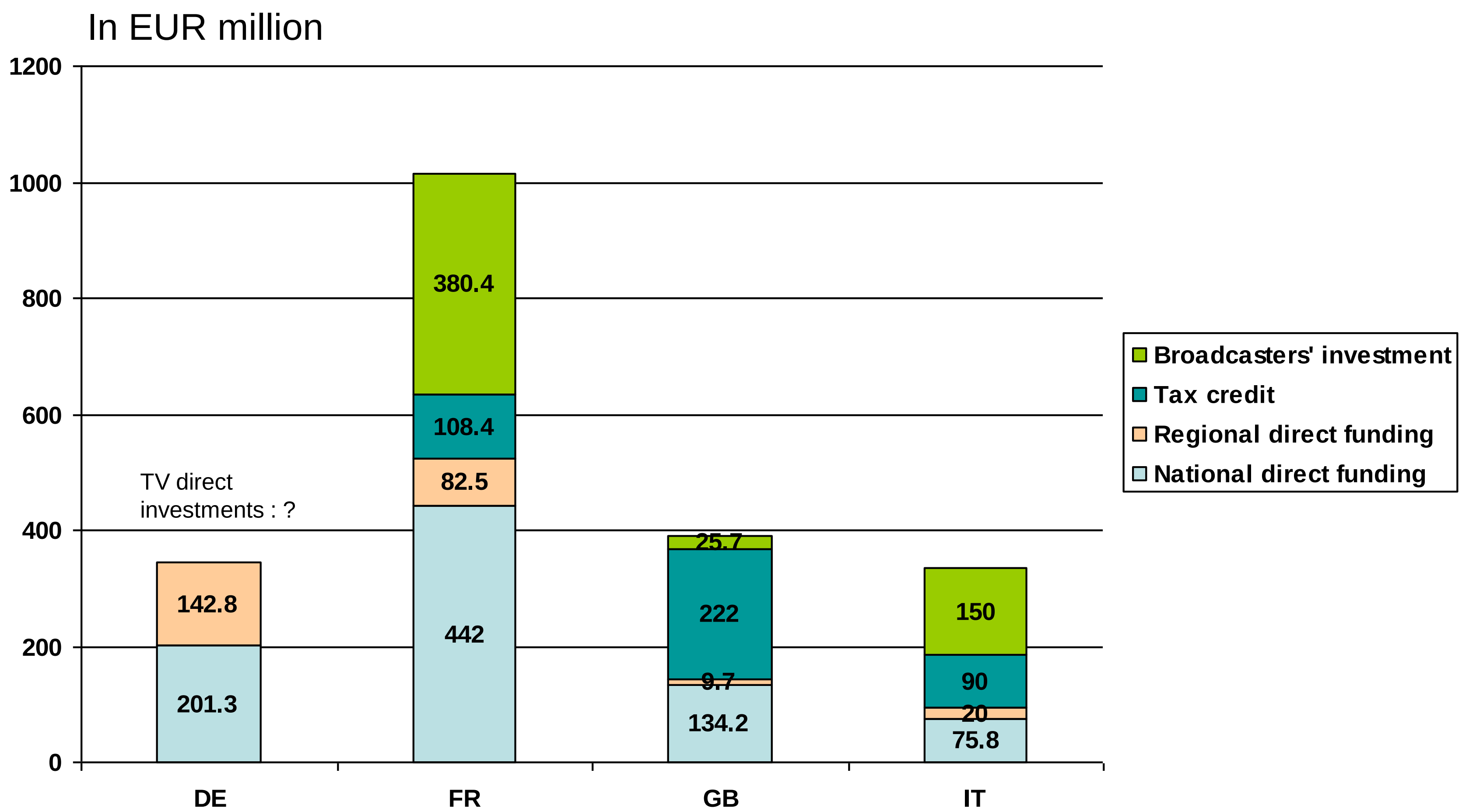
SUMMARY OF FILM POLICIES (2011)

In EUR million

	National direct funding	Regional funding	Tax relief / Tax shelter	Broadcasters' investments and contributions
DE	Total: 201.3 M EUR - FFA: 101.9 - BKM & DFFF: 100.4	> 142.8 M EUR		Contribution to FFA and regional funds Direct investment : Bavaria, Studio Hamburg
FR	CNC : 720.1 M EUR - Cinema: 309.5 - Audiovisual: 287 - Digital: 32.5 - Transversal: 91.1	109 M EUR -'Communautés territoriales': 82.5 - CNC + DRAC: 26.5	-Sofica (invest.: 3 M EUR) -Crédit d'impôt cinema: 58.5 M EUR AV : 49.9 M EUR - Crédit d'impôt international	Investment: 380.4 M EUR - Free ch.: 145.7 - Canal+: 182.5 -Others: 52.2. - Contribution to the CNC: 309 M EUR
GB	Total : 134.2 M EUR - DCMS: 56.1; - Lottery: 48.4 - Other national : 29.7	9.7 M EUR (Northern Ireland, Wales)	Tax relief (222 M EUR in 2011)	Public broadcasters: 25.7 M **EUR** - BBC Films: 14.2 M EUR - Film 4: 11.5 M EUR
IT	F.U.S. : 75.8 M EUR Features only : 28.8 (17.8 ICN; 11 Opere Prime Seconde)	approx 20 M EUR	90 M EUR Tax credit Production Tax credit Distribution Tax credit Digital Tax Shelter	approx 150 M EUR

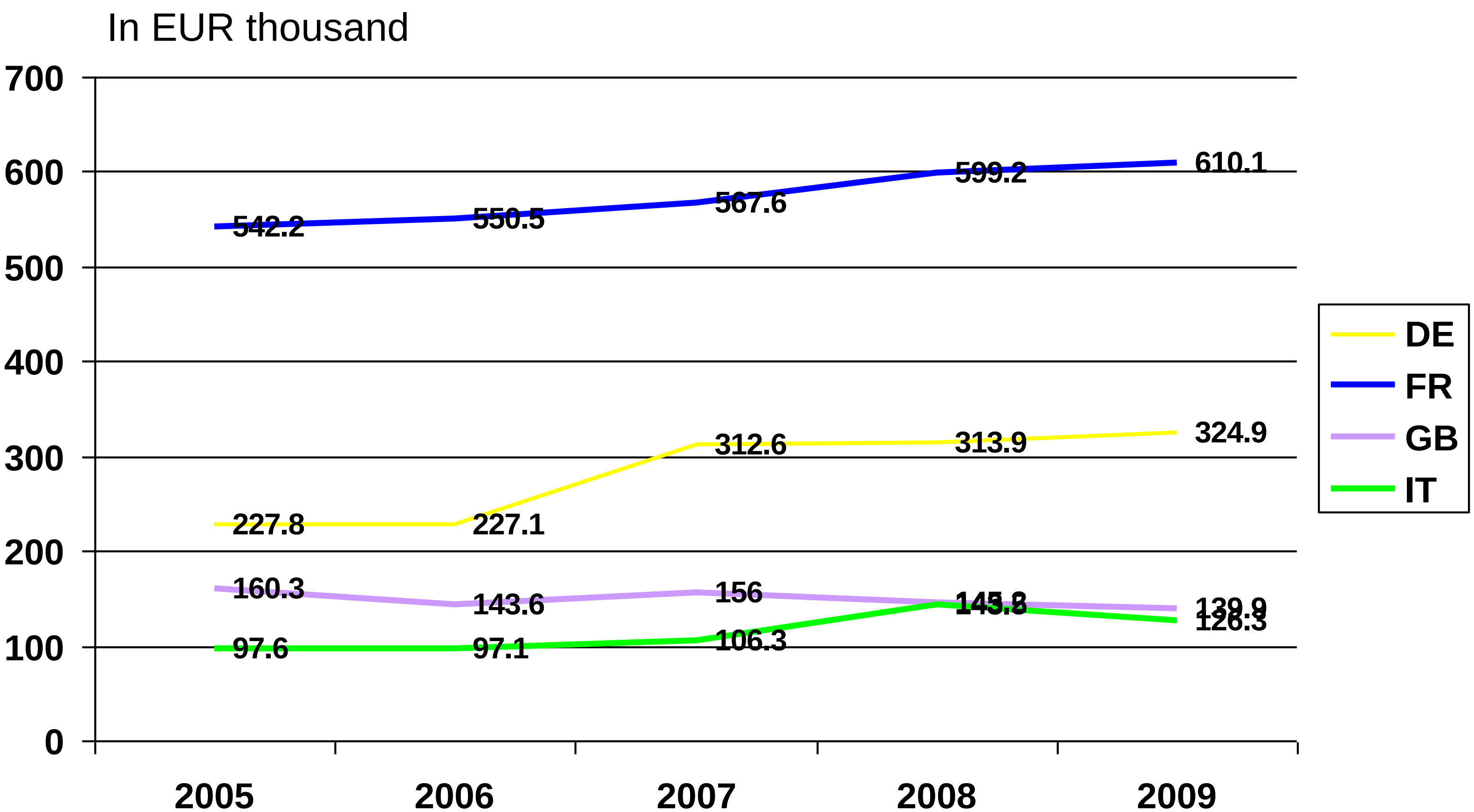
AMOUNT OF PUBLICLY GENERATED INVESTMENT IN THE FILM INDUSTRY (2011)

Source: European Audiovisual Observatory



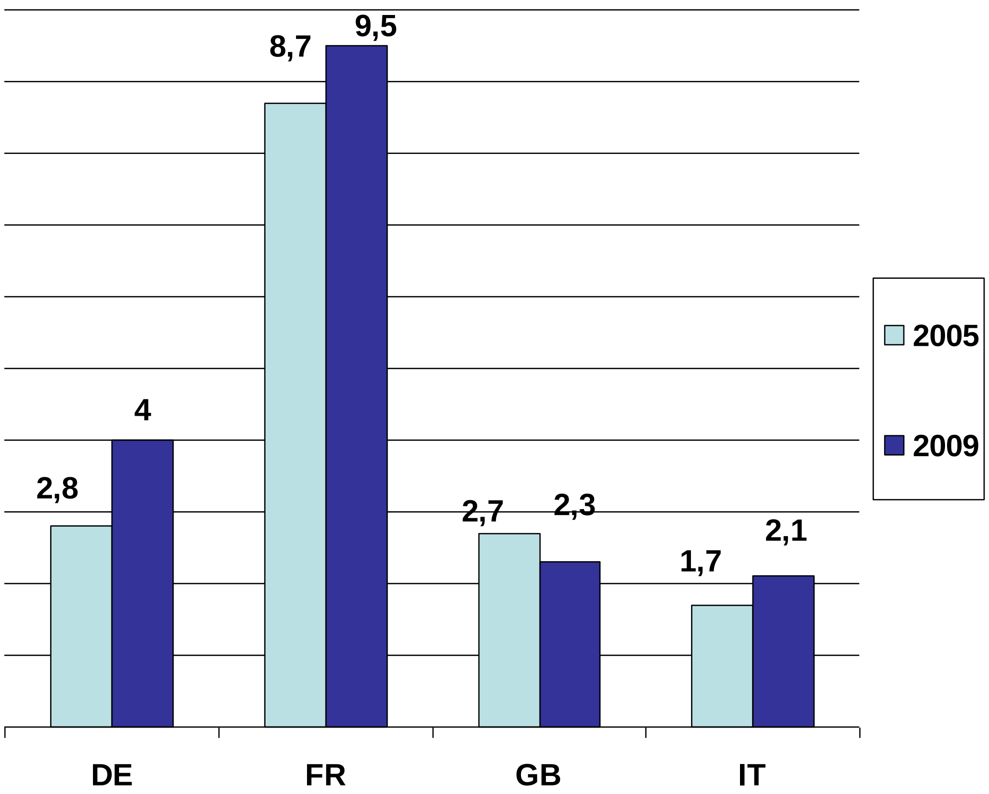
TOTAL REVENUES FOR PUBLIC FUNDS (2005-2009)

Source: European Audiovisual Observatory



AVERAGE PUBLIC FUND REVENUE PER CAPITA – in EUR (2005-2009)

Source: European Audiovisual Observatory

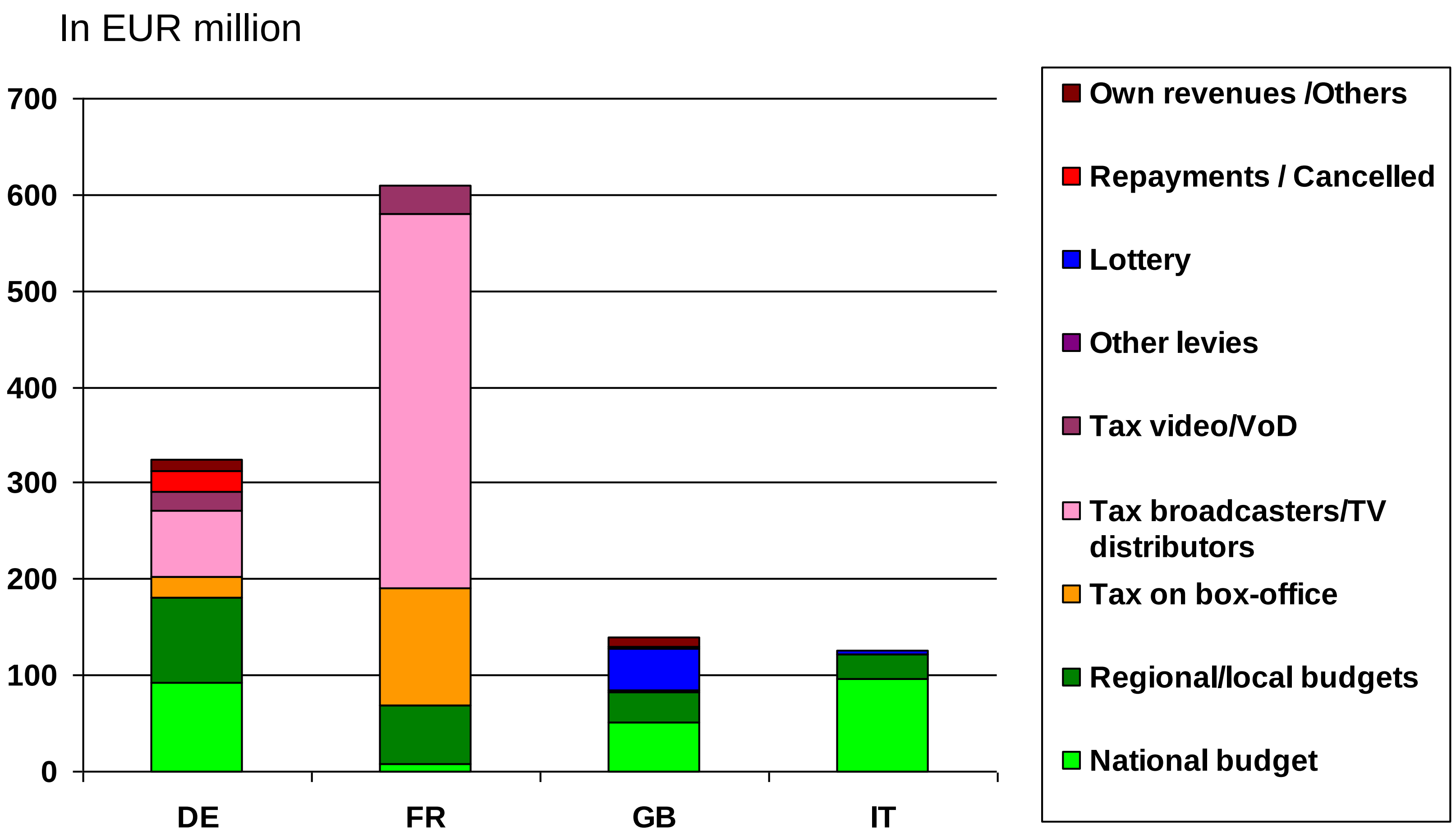


Prudence is necessary in handling this data:

- fiscal incentives are not included
- 'public funding' does not necessarily mean 'State money'
- the activities of the funds are not identical

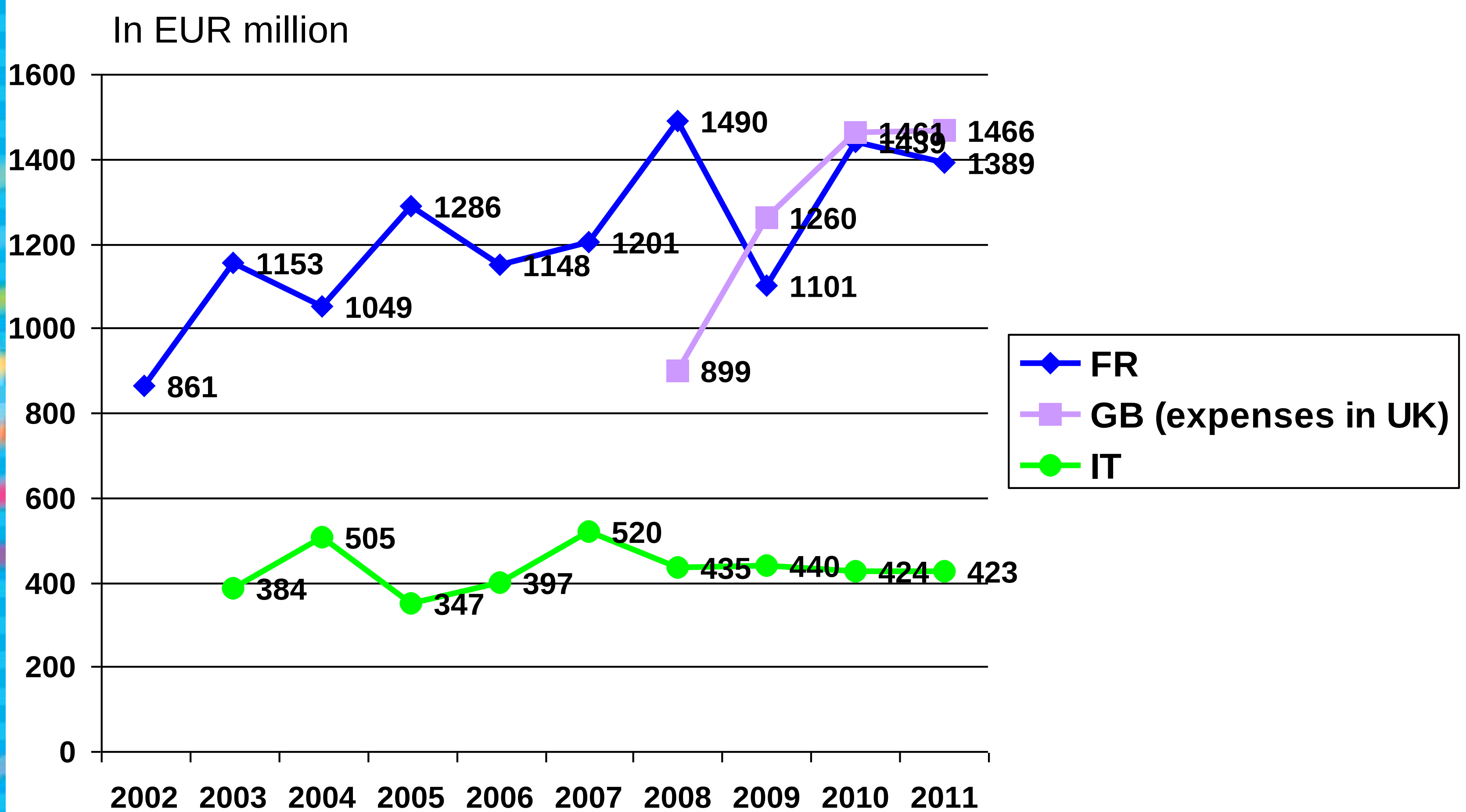
SOURCES OF FUND REVENUE (2009)

Source: European Audiovisual Observatory



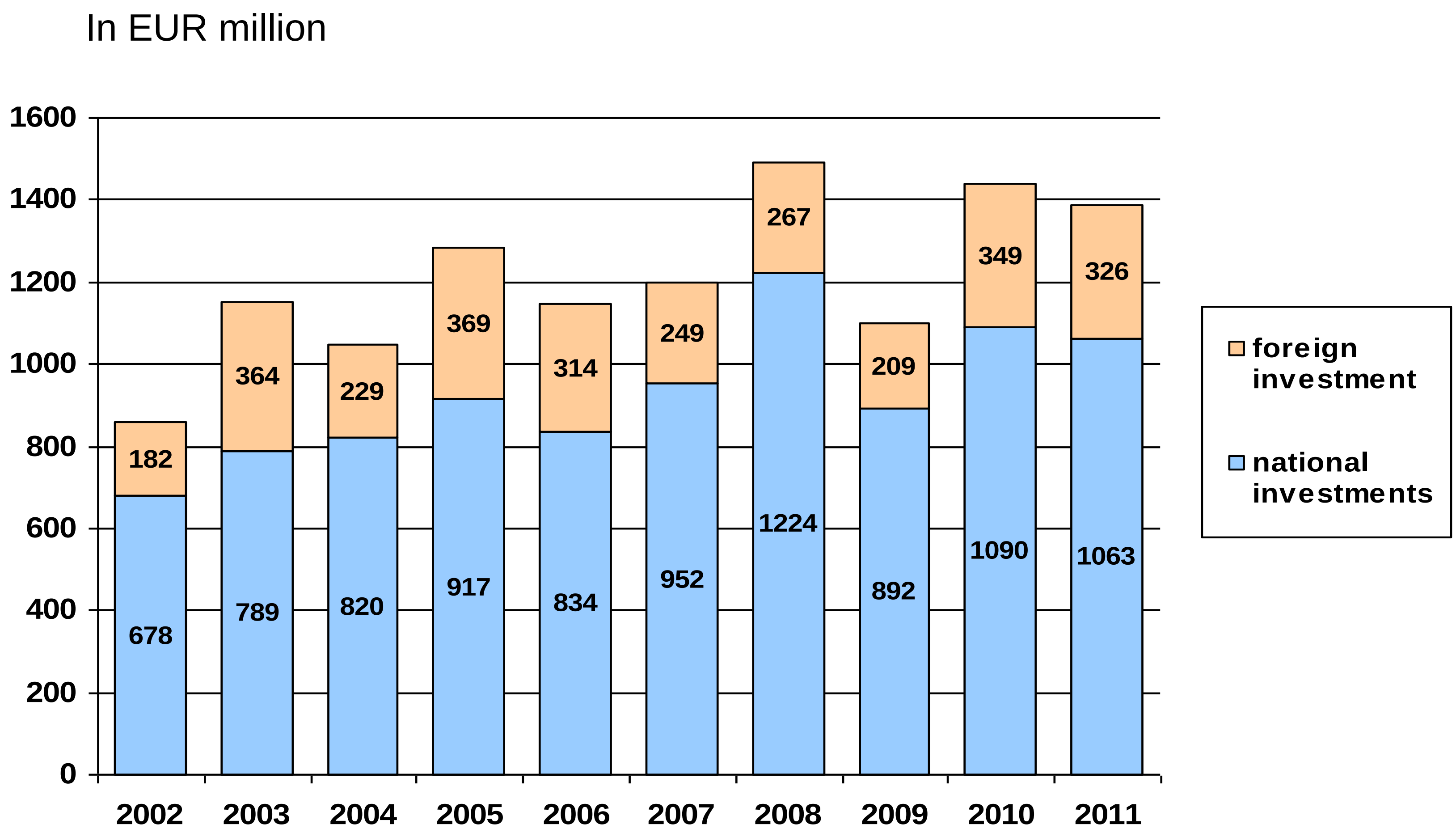
TOTAL INVESTMENT IN FILM PRODUCTION (2002-2011)

Source: European Audiovisual Observatory



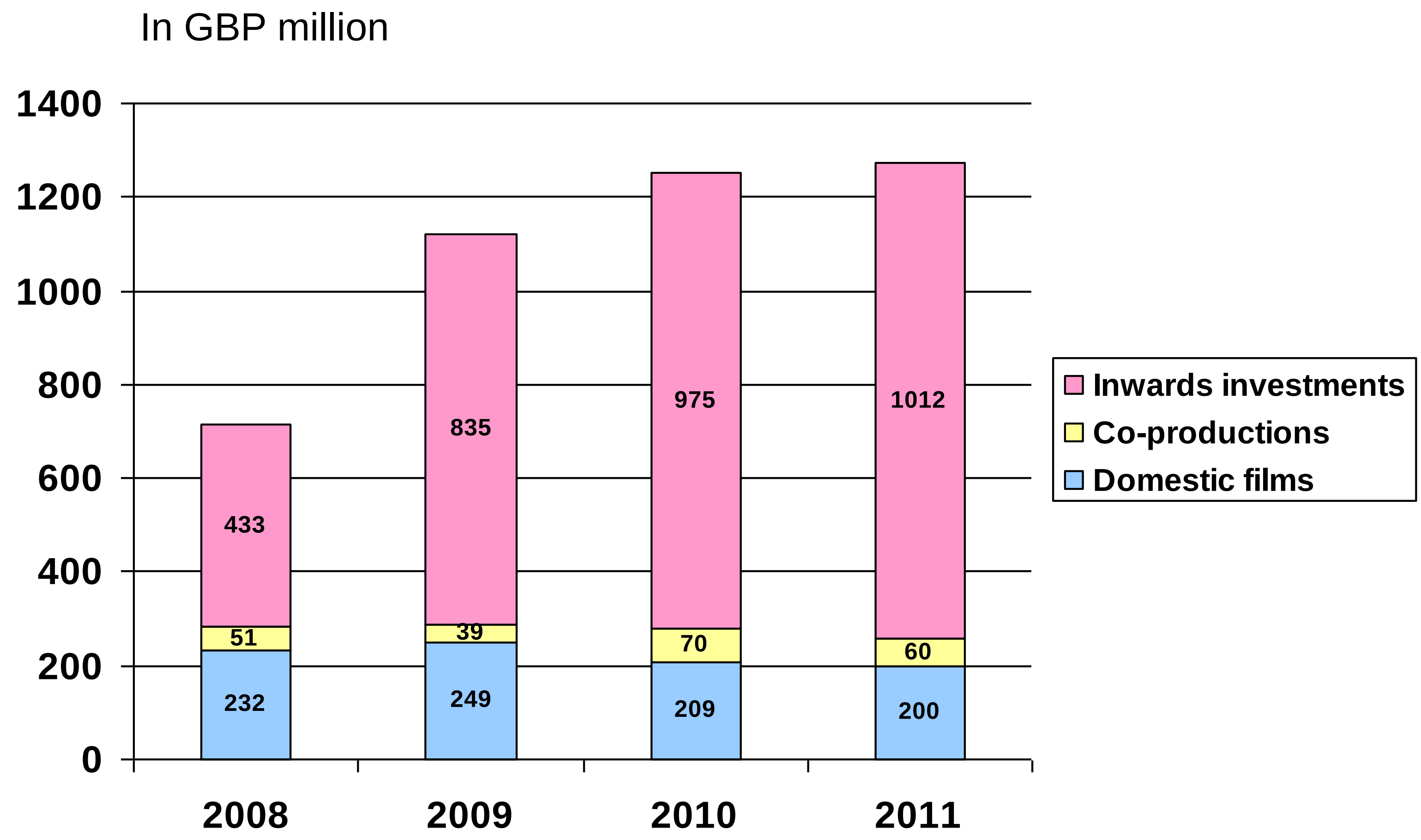
FRANCE – INVESTMENT IN FILM PRODUCTION (2002-2011)

Source: CNC



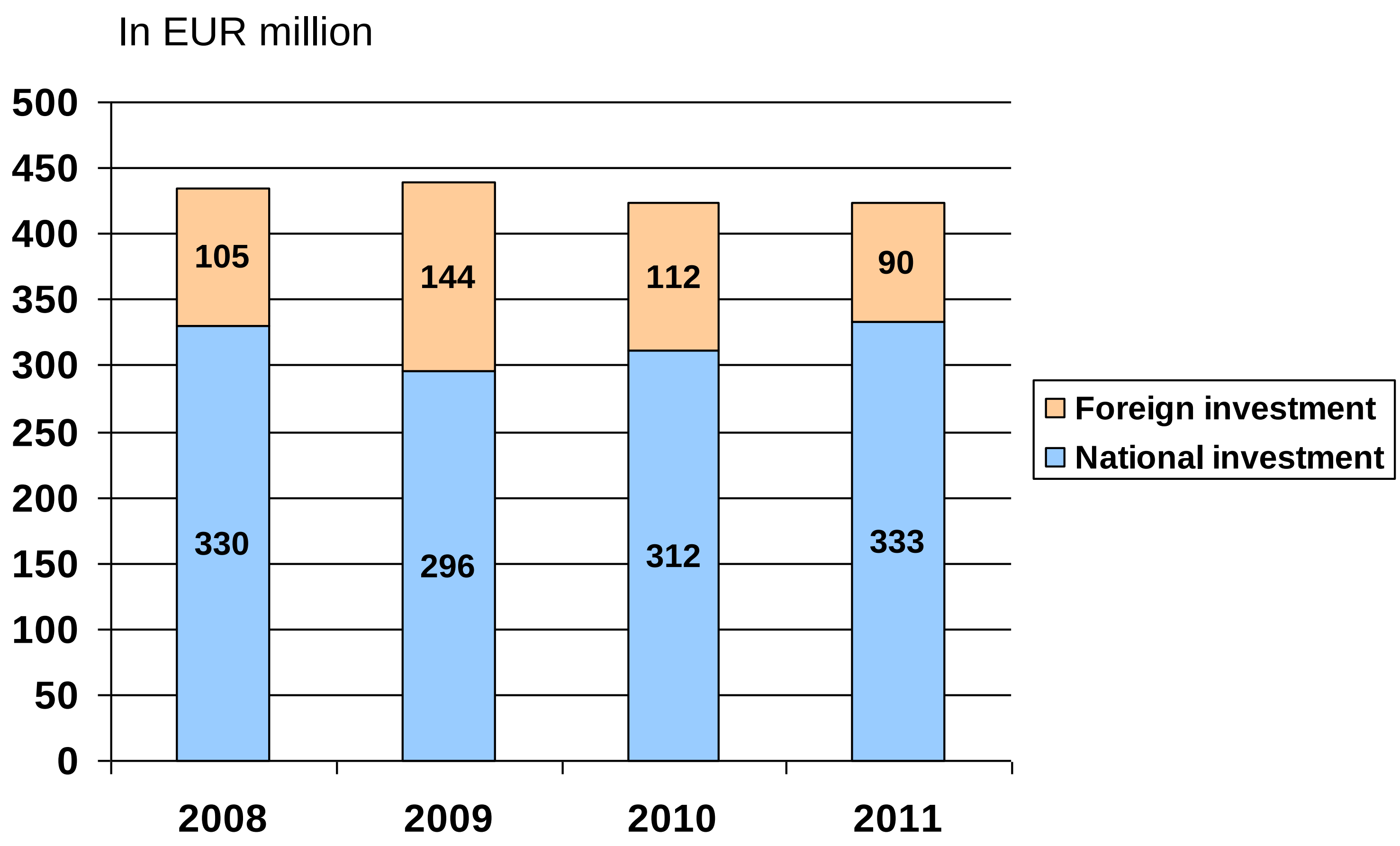
UK SPEND ON FEATURES PRODUCED IN THE UK (2008-2011)

Source: BFI



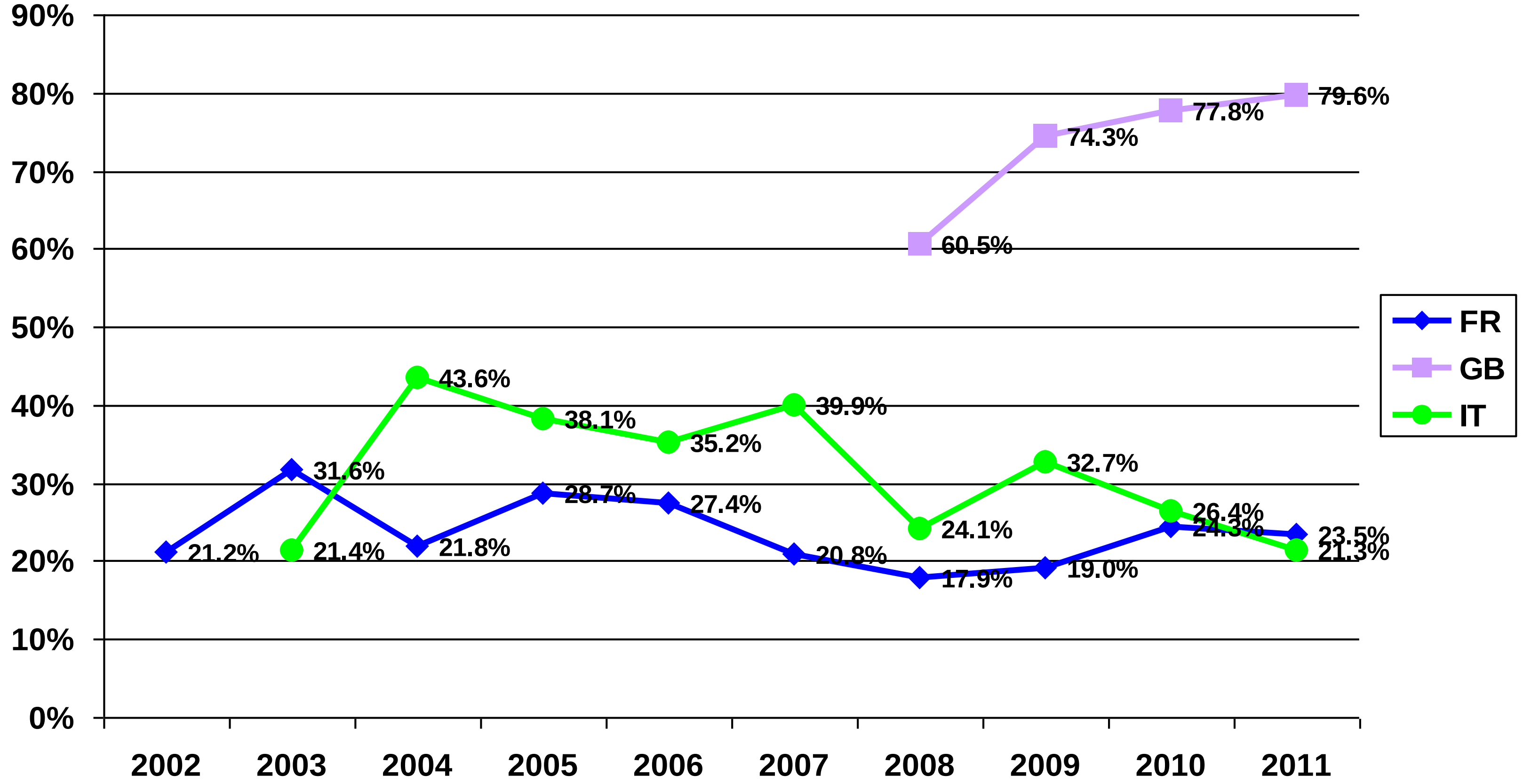
ITALY – ORIGIN OF INVESTMENT IN PRODUCTION (2008-2011)

Source: ANICA / MiBAC



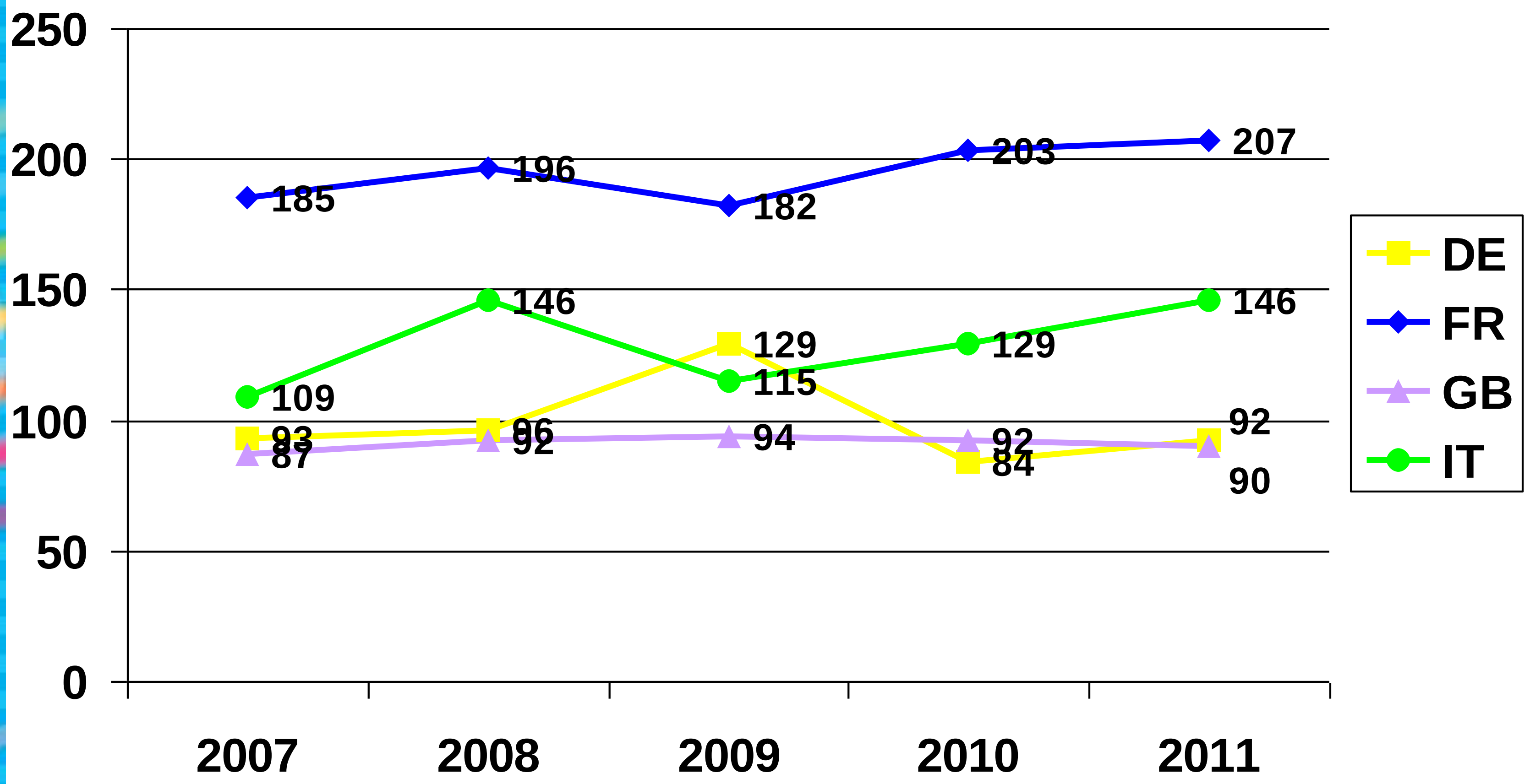
SHARE OF FOREIGN INVESTMENT IN TOTAL FILM INVESTMENT (2002-2011)

Source: European Audiovisual Observatory



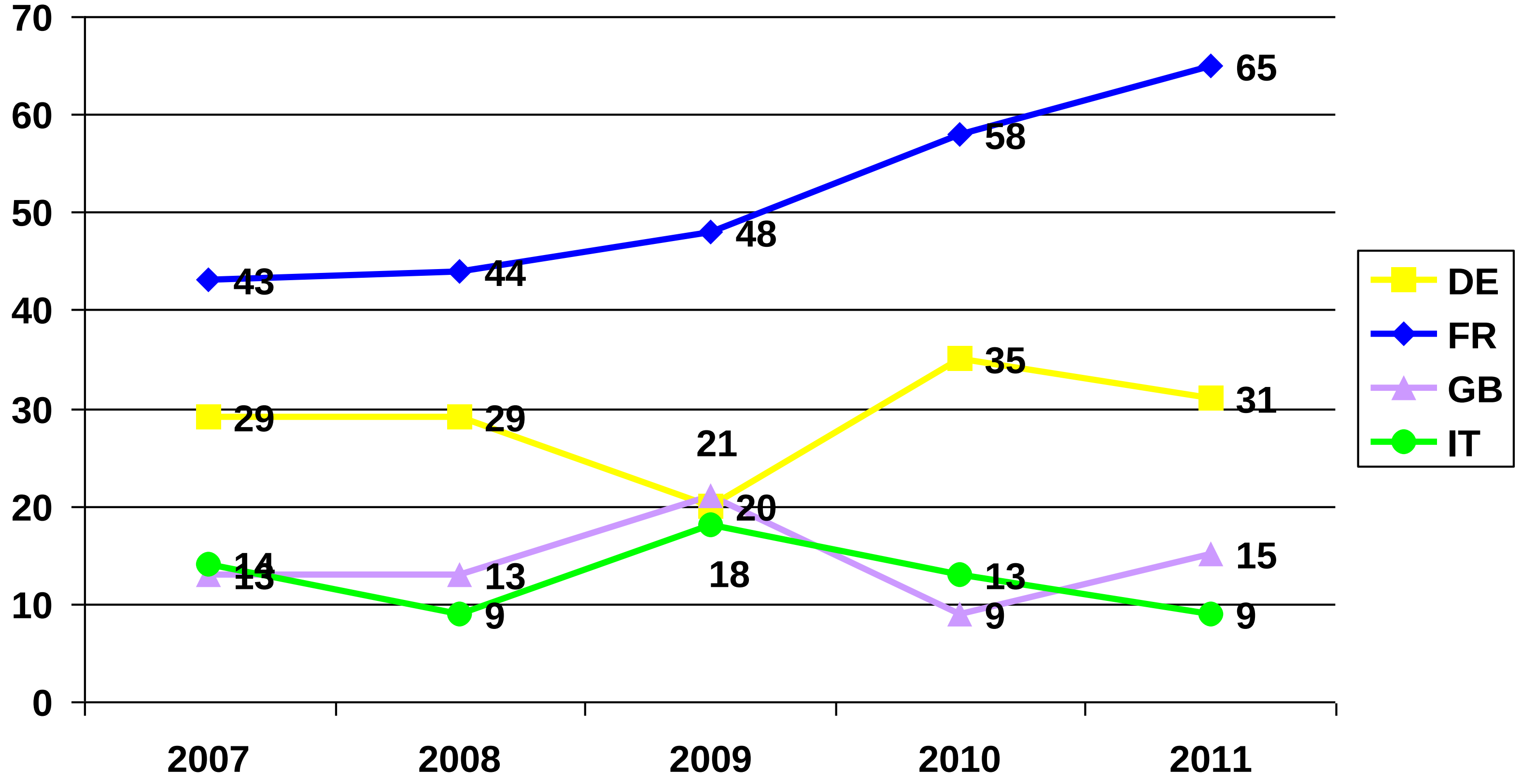
NUMBER OF FILMS PRODUCED (2007-2011)
(100% national + majority co-productions)

Source: European Audiovisual Observatory



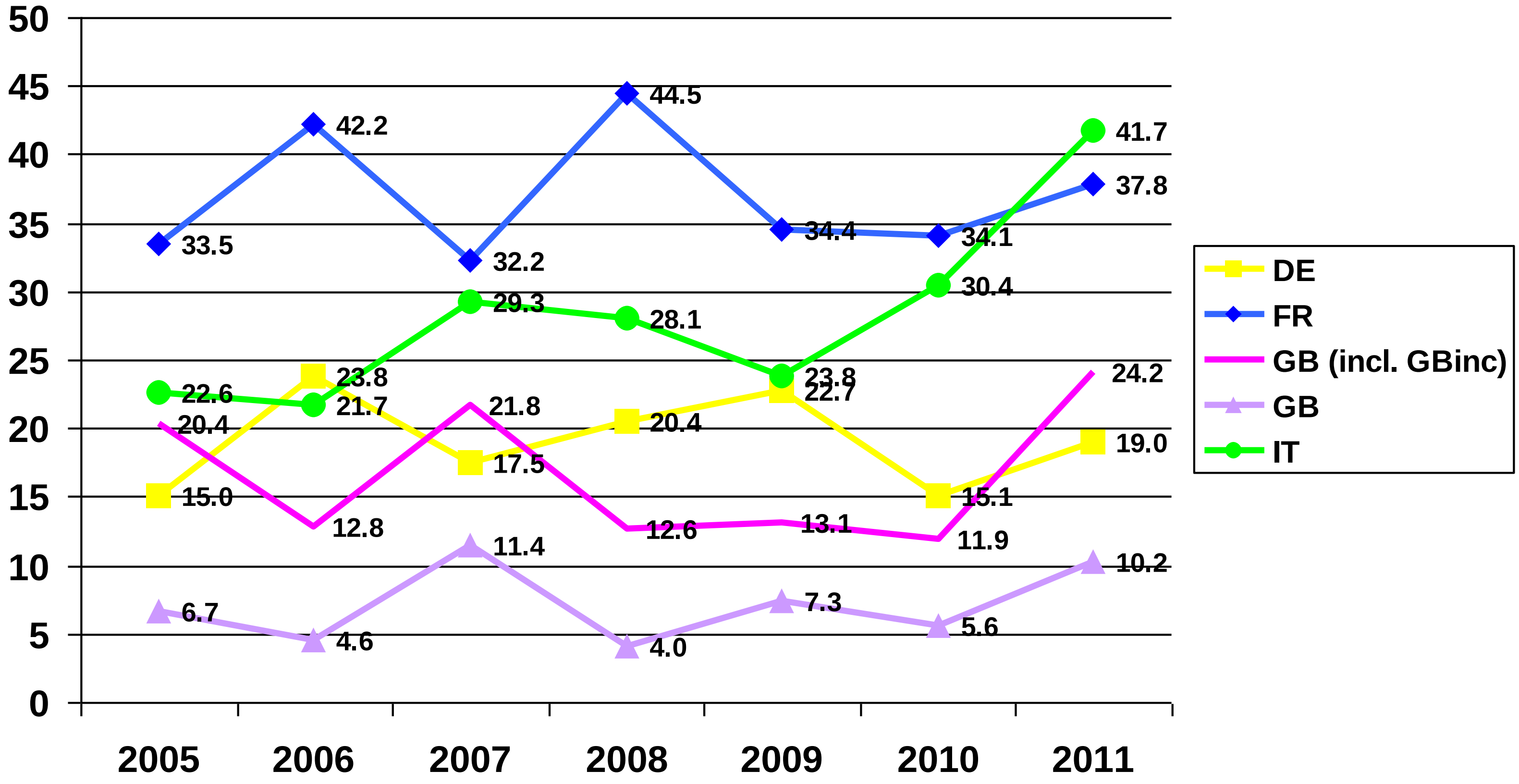
NUMBER OF MINORITY CO-PRODUCTIONS (2007-2011)

Source: European Audiovisual Observatory



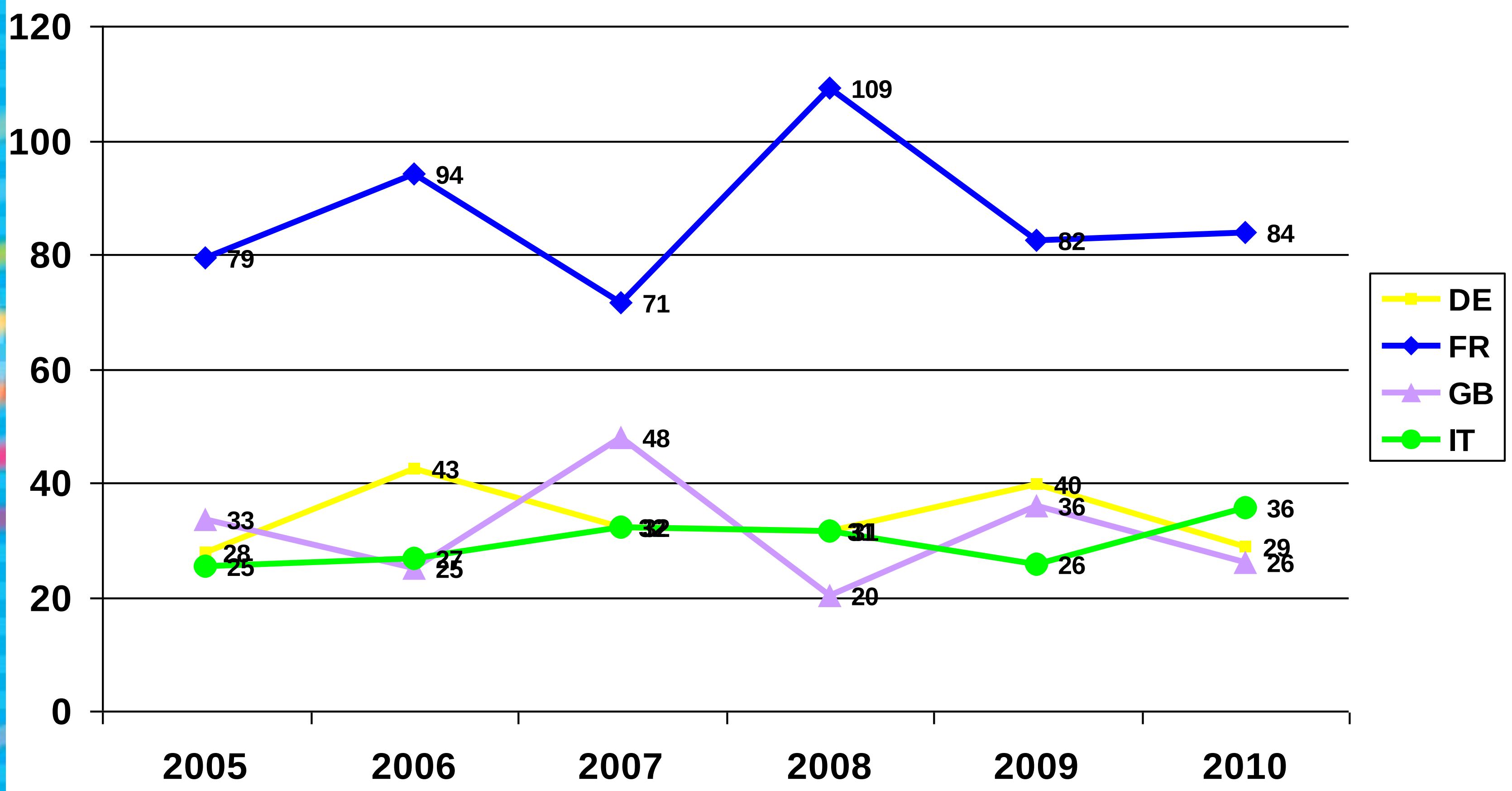
MARKET SHARE OF NATIONAL FILMS (2005-2011)

Source: European Audiovisual Observatory using the LUMIERE database



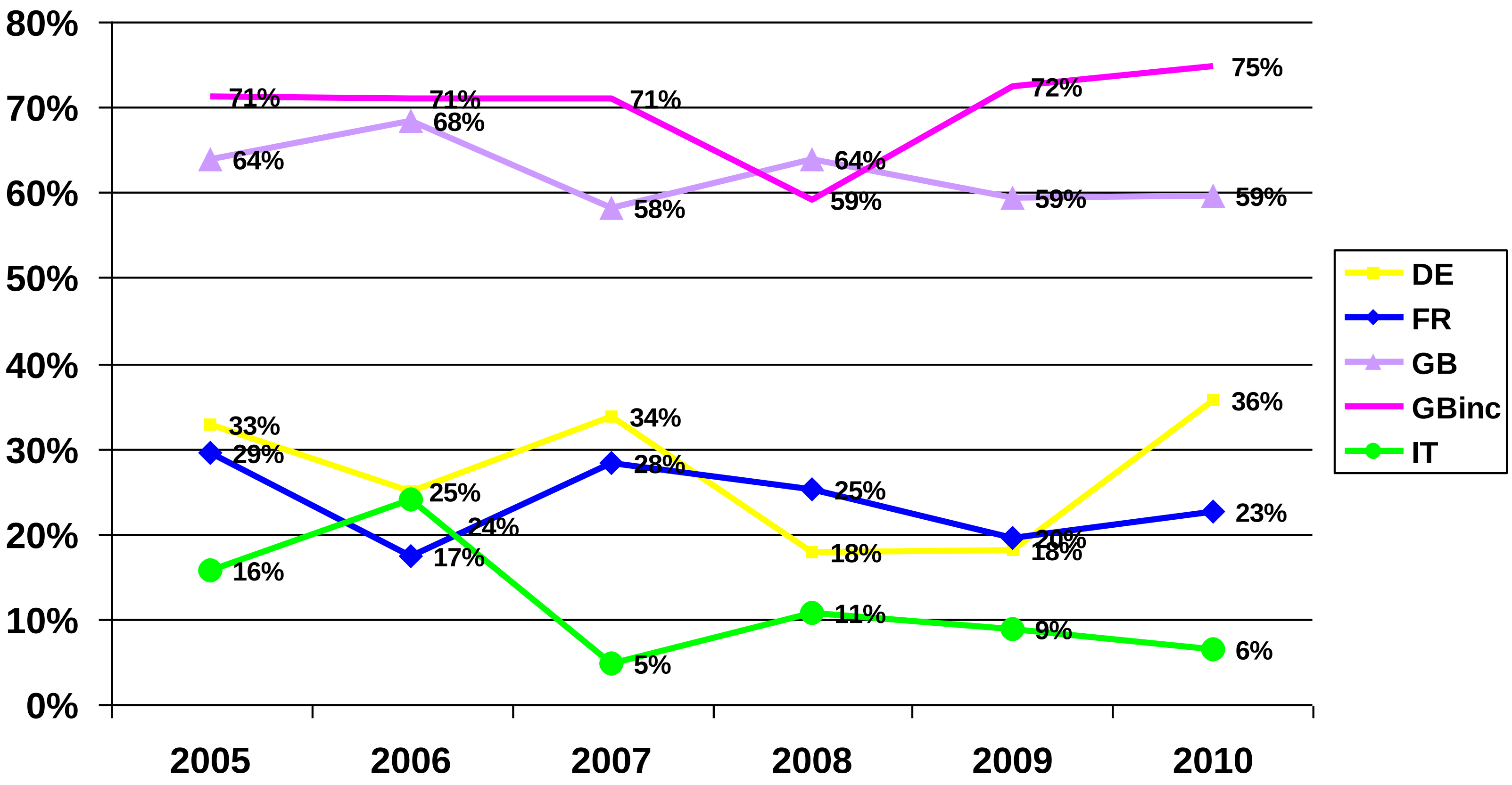
NUMBER OF ADMISSIONS IN THE EU FOR FILMS ORIGINATING FROM THE FOUR COUNTRIES (2005-2010)

Source: European Audiovisual Observatory



IMPORTANCE OF NON-DOMESTIC ADMISSIONS IN THE EU FOR FILMS ORGINATING FROM THE FOUR COUNTRIES (2005-2010)

Source: European Audiovisual Observatory



EXPORT OF EUROPEAN FILMS IN 10 NON-EUROPEAN MARKETS (2010)

Source: European Audiovisual Observatory

Markets are USA/CA, 6 South American countries, South Korea, Australia, New Zealand

Films from:	**Number of films in release**	**Admissions (millions)**	**Share of non-EU markets in total admissions**
GB	100	25	42 %
DE	48	17.3	34 %
FR	150	16.1	15 %
SE	10	4.5	37 %
ES	38	3.1	17 %
BE	10	2	25 %
IT	30	1.7	5%

CONCLUSIONS

- Statistics are useful for benchmarking but should be used with care (differences of systems, seasonal effects, importance of the artistic and cultural dimension of films,…)
- The four leading European countries have different structural characteristics both in national markets, financing, capacity of export
- Data show that the level of prodution in Italy remains strong: Italian films have improved their national market shares but at the same time there is a trend to a relative autarcy (less foreign investment, few minority co-productions, relatively low level of export)
- Creation and implementation of a European policy remains a challenge given the diversity of national systems.
- Long term threath for the redistribution models : globalisation of online distribution and connected TV will make the principle of contribution levies difficult to implement for foreign services (in particular when based in US).

DATABASES AND PRINT PUBLICATIONS

Databases

1 **LUMIERE (lumiere.obs.coe.int)**

… on annual film admissions for films released in Europe

2 **KORDA (korda.obs.coe.int)**

… on public funding programmes for the audiovisual sector in Europe

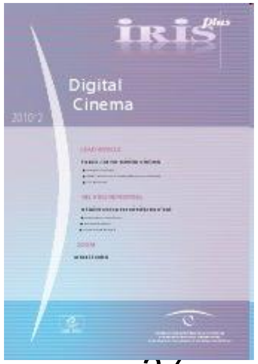
3 **MAVISE (mavise.obs.coe.int)**

… on TV channels and companies in Europe

4 **IRIS MERLIN (merlin.obs.coe.int)**

… legal information relevant to the audiovisual sector

Publications



For further information:

www.obs.coe.int

andre.lange@coe.int