

*The draft Cinema Communication*  
*Creative Europe*  
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## The draft Cinema Communication

- Overview and objectives of the review
- Key events and timetable
- Proposed changes and reactions

## Creative Europe

- Overview
- New priorities and opportunities
- Legislative procedure
- Key events and timetable

## Overview

- 2001 Cinema Communication, setting out the State aid assessment criteria for production of films and AV works, due to expire on 31 December 2012
- Extended already in 2004, 2007 and 2009
- Emerging trends
  - Support for aspects other than film and TV production, e.g. film distribution and digital projection
  - More regional film support schemes
  - Competition among MSs to attract inward investment from major film productions



## Objectives

- Ensuring a more culturally diverse choice of AV works
- Controlling competition ('subsidy race') & ensuring a level playing field between MSs
- Reviewing potential limitations of "territorialisation" clauses
- Improving the circulation and increasing the audience of European films
- Encouraging cross-border productions



## Key events & Timetable

- June 2011 – September 2011: first public consultation on the Commission's issues paper
- March 2012 - June 2012: public consultation on the draft Communication
- June 2012: consultation responses published
- Final quarter 2012: adoption of a new Cinema Communication

## Proposed changes

- Scope of activities covered by the Communication **extended** to include all aspects of AV work, from story concept to delivery to the audience (vs. production alone)
- Spending obligation in the territory granting production support **limited** to a maximum of 100% of the aid (vs. 80% of production budget)
- Film production support schemes, that base the calculation of the aid amount on the production expenditure in a given territory (e.g. film tax incentives), to treat any production expenditure in the EEA as eligible (new, *Laboratoires Fournier*)

- MSs not to impose unnecessary limitations on the distribution and marketing (e.g., '**release windows**' ) of an AV work as a condition for supporting it
- MSs to require/support producers to deposit a copy of the film suitable for **long-term preservation**, as a condition of the aid
- If aided film is not a European work, maximum **aid intensity reduced** for higher budget films, on the basis of a regressive scale

Part of production budget	Aid intensity
Less than €10m	50%
€10m - €20m	30%
Over €20m	10%

## Negative reactions (selection)

- Truly justified review?
  - *“dangers and threats... hypothetic and unclear”* (HU)
- New criteria on territorial spending obligations
  - Reduce the leverage / multiplier effect of public policies
  - Threaten the stability /sustainability of the movie production industry
  - *“encourage the fragmentation of the European film sector and result in a loss of skills, infrastructure and production activity”* (UK)
  - *« disproportionnées et ... très néfastes pour le secteur du cinéma »* (FR)
- Proposed regressive scale for non-European films
  - Negative impact on Europe as a production hub, thereby threatening its international competitiveness



## Overview of the proposal



- A programme for the cultural and creative sectors for 2014-2020
- Bringing together 3 existing programmes (Culture – MEDIA – MEDIA Mundus)
- Creating a new financial instrument ('financial facility') giving access to bank loans for small operators & SMEs
- Proposed budget of € 1.8 billion for 7 years → 37% increase on current levels
- Contributing to 'Europe 2020' goals of sustainable growth, jobs, social cohesion



**Creative Europe framework**

**€1.8 billion**

<b>Culture</b> <b>30 %</b> <b>€500 million</b>	<b>MEDIA</b> <b>55 %</b> <b>&gt; €900 million</b>	<b>Cross-sectoral</b> (Financial Facility + data support + piloting) <b>15 %</b> <b>&gt; €210 million</b>
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- ✓ Over 1,000 European films receive distribution support to be seen by audiences throughout Europe and beyond, on traditional and digital platforms
- ✓ 1,111 European cinemas receive support to ensure that at least 50% of the films they show are European

## Focus

- Capacity-building
  - Support cultural operators to develop skills and know-how to facilitate adjustment to the digital shift
  - Support artists/cultural professionals to internationalize their careers
  - Strengthen EU and international networks to facilitate access to new professional opportunities
- Transnational circulation
  - Support international touring, events and exhibitions
  - Support literary translation
  - Support for audience building and building a long-term audience for European cultural works



## Opportunities

### Focus on ICCS/audiovisual operators and institutions

- For cultural and audiovisual professionals to develop skills abroad
- For international distribution of works
- For international policy cooperation

## Simplification

### International dimension




- Full participation to same European 3<sup>rd</sup> countries as before & new possibility for European neighbourhood countries

## Ordinary Legislative Procedure → Key players

<b>Council of the European Union</b> Co-legislator	<b>Council configuration</b>
	Education, Youth, Culture and Sport Education, Youth, Culture and Sport
<b>European Commission</b> Legislative proposal	<b>Commission DG</b>
	Education and Culture

**European Parliament**

**Co-legislator**

<p><b>CULT</b> Culture and Education</p>	<p><b>S&amp;D</b> COSTA Silvia</p> <p>▼ Shadow rapporteur</p> <p> CAVADA Jean-Marie</p> <p> SCHAAKE Marietje</p> <p> TRÜPEL Helga</p> <p> MIGALSKI Marek Henryk</p> <p> BISKY Lothar</p> <p> MATERA Barbara</p>
<p><b>BUDG</b> Budgets</p>	<p><b>S&amp;D</b> GÖNCZ Kinga</p>
<p><b>EMPL</b> Employment and Social Affairs</p>	<p><b>S&amp;D</b> ȚICĂU Silvia-Adriana</p>
<p><b>ITRE</b> Industry, Research and Energy</p>	
<p><b>FEMM</b> Women's Rights and Gender Equality</p>	



## Key events & Timetable

- EC proposal for a Regulation on the «Creative Europe Programme»: 23/11/2011
- Council (EYCS) - Partial General Approach (content): 10/5/2012
- EP CULT
  - Exchange of views: 9/7/2012
  - Text presentation: 8/10/2012
  - Vote: 27/11/2012
- Budget negotiations (MFF 2014-2020) to be finalised under CY Presidency
- EP Plenary vote: tbc
- Entry into force: 1/1/2014

*Thank you!*

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