



Bedeutung der Filmförderung für den europäischen Film

München, 28 Juni 2019

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European Audiovisual Observatory





'film'

The European film landscape



is (culturally)
diverse

and very
fragmented



is (culturally)
diverse

1 100

live-action fiction films
produced per year

24

official languages in the EU

> 60

minority languages



market size

market potential

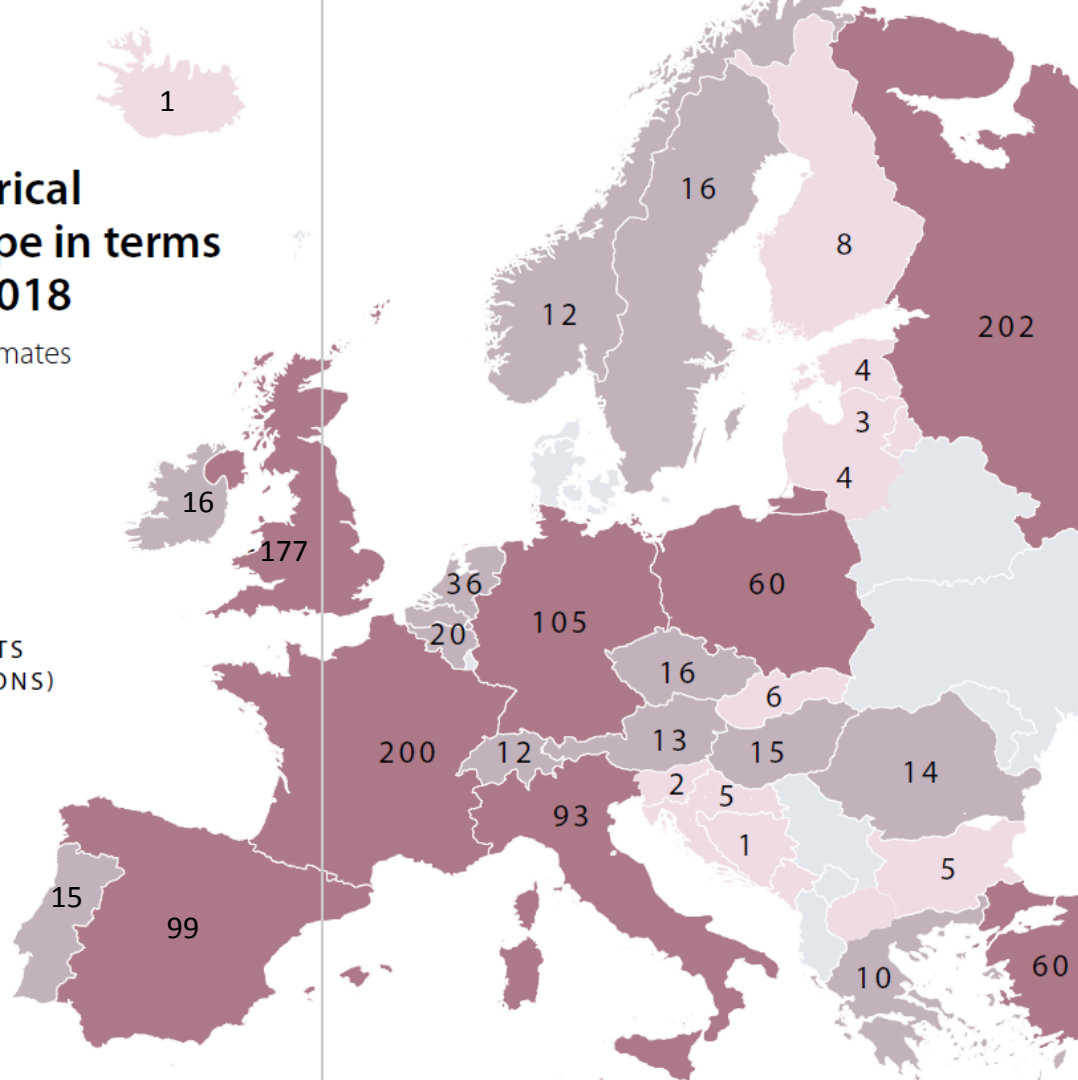
average budgets

and very
fragmented

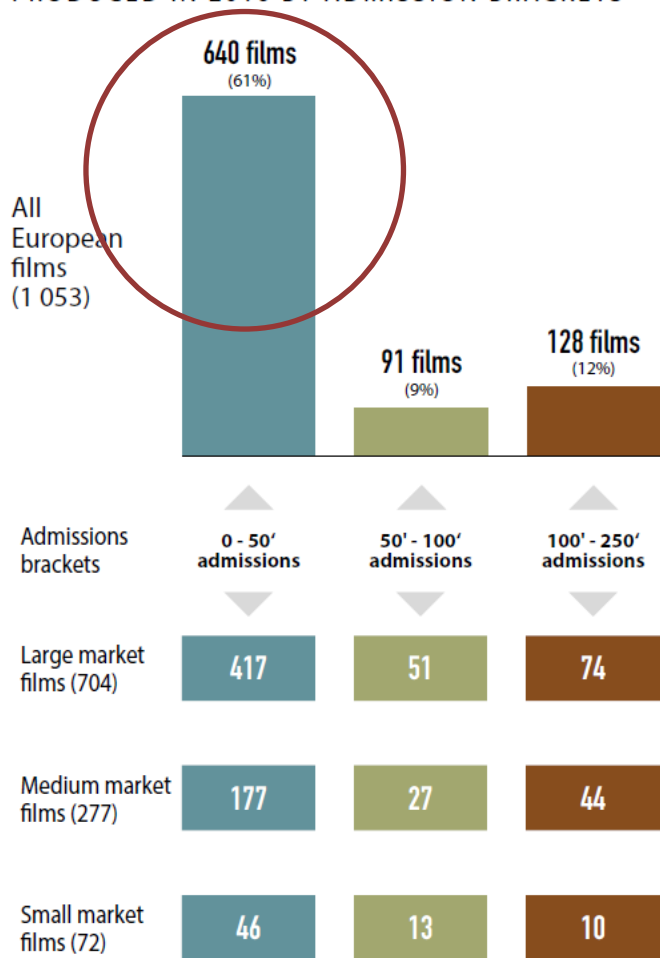
European theatrical market landscape in terms of admissions 2018

In million. Provisional estimates

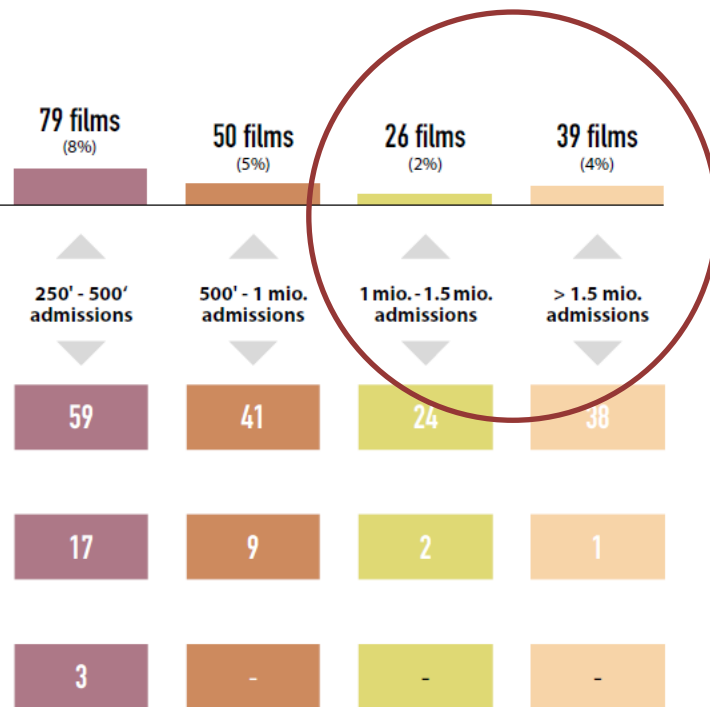
-  LARGE MARKETS (> 50 MIO. ADMISSIONS)
-  MEDIUM-SIZED MARKETS (10 - 50 MIO. ADMISSIONS)
-  SMALL MARKETS (< 10 MIO. ADMISSIONS)
-  NOT COVERED BY OBS



NUMBER OF EUROPEAN LIVE-ACTION FILMS PRODUCED IN 2016 BY ADMISSION BRACKETS



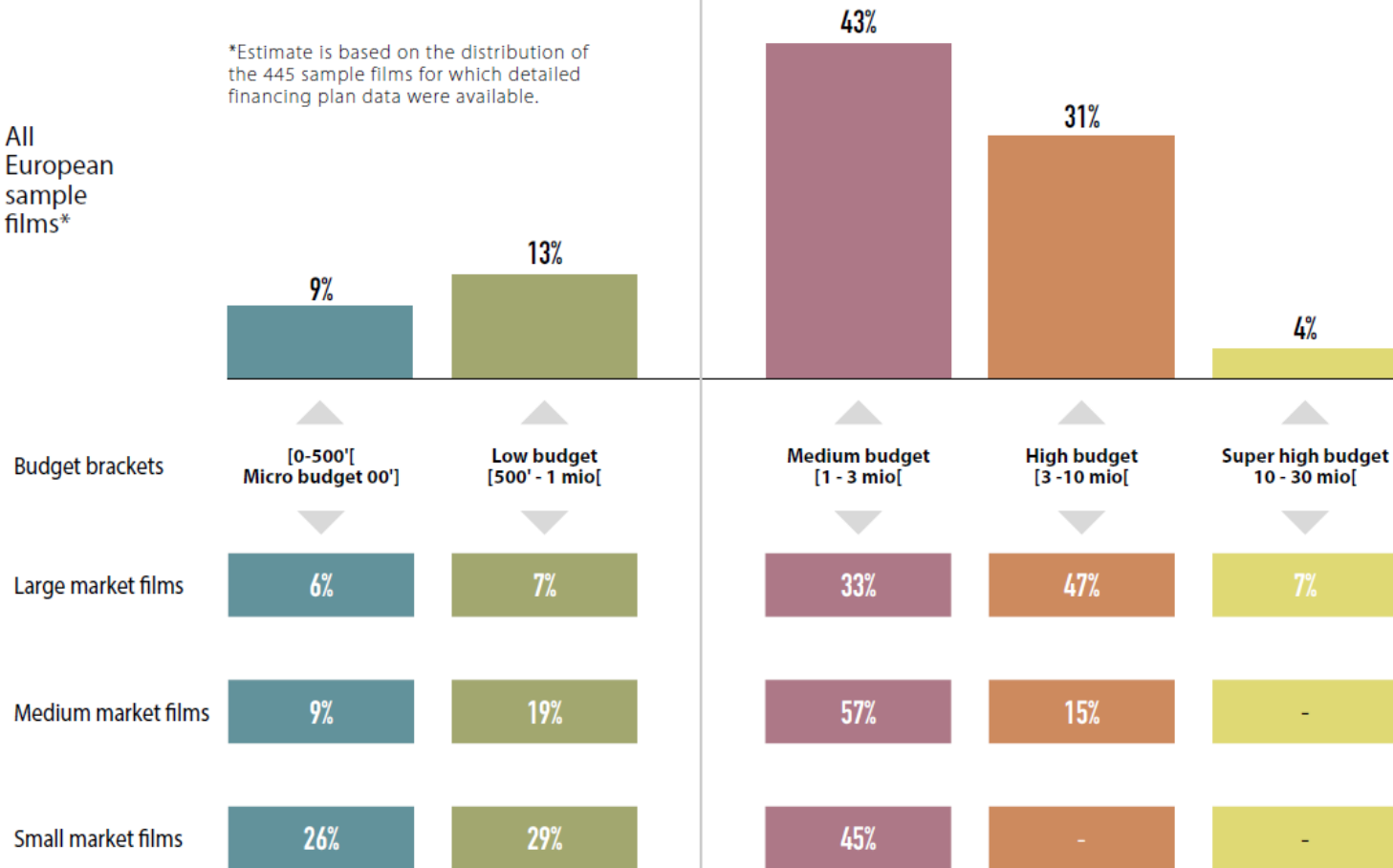
Remark: Admission brackets refer to cumulative worldwide admissions (2016 to 2018) to films produced in 2016. Worldwide admissions refer to admissions in more than 30 European and 12 non-European markets (US, CA, CN, KR, AU, NZ, AR, BR, CO, CL, MX, VE) as tracked in LUMIERE.



ESTIMATED* BREAKDOWN OF EUROPEAN LIVE-ACTION FILMS RELEASED IN 2016 BY BUDGET BRACKETS

*Estimate is based on the distribution of the 445 sample films for which detailed financing plan data were available.

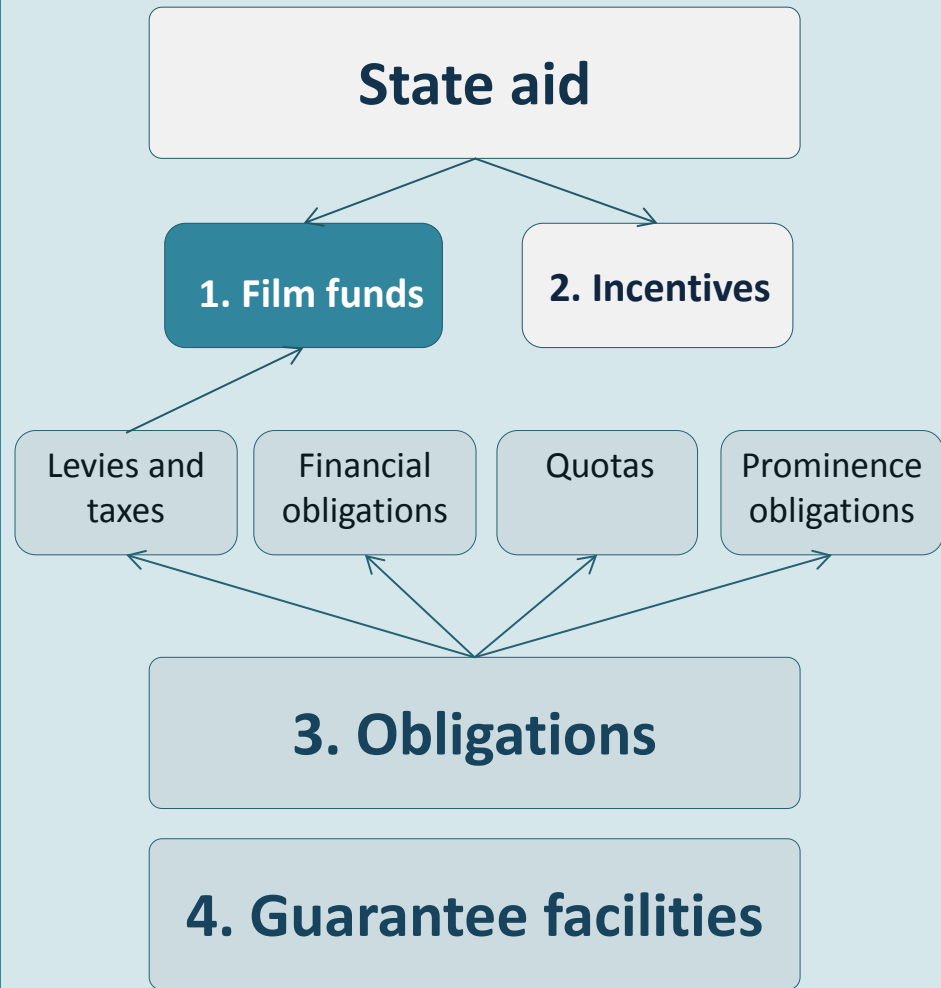
All European sample films*



Filmförderung

eines
von vielen
Förderinstrumenten

eines
von vielen
Förderinstrumenten

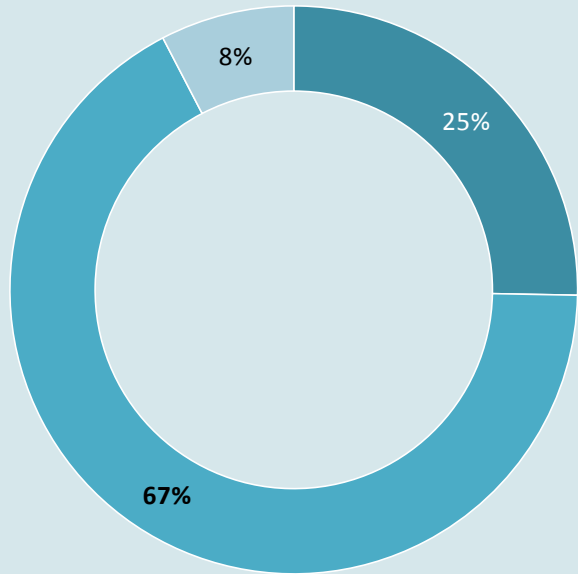


Wie viel
und
wofür?

Letzte
Datenerhebung
2010-2014

Wie viel
und
wofür?

249
funds



- National funds
- Regional / local funds
- Supranational funds



249
funds

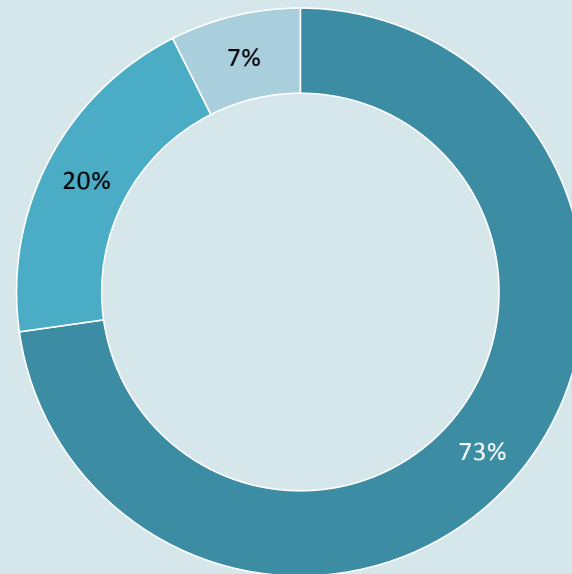
€2.3bn

spend per year

249

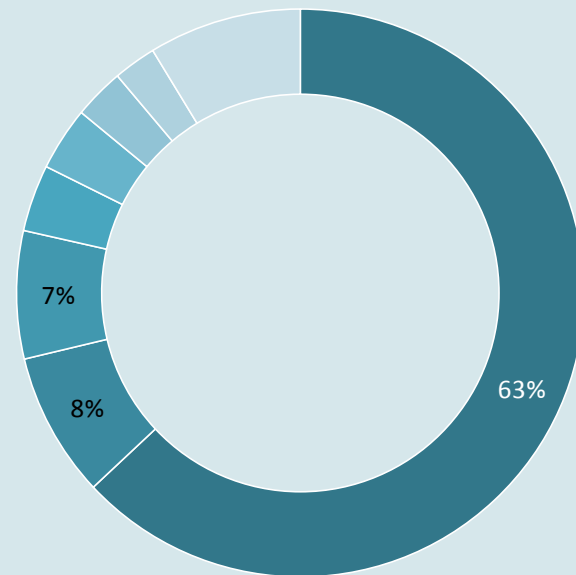
funds

€2.3bn
spend per year



- National funds
- Regional / local funds
- Supranational funds

€2.3bn
spend per year

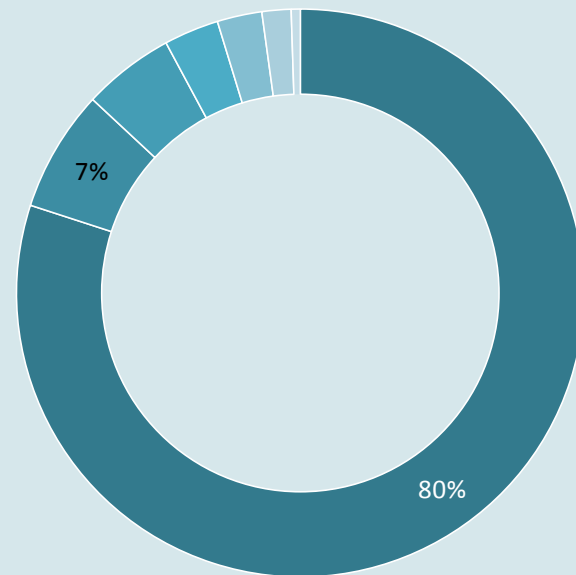


- **Creation of works (film & TV)**
- **Exhibition**
- **Distribution**
- Structural funding (4%)
- Promotion (4%)
- Events (3%)
- Training (2%)
- Other (9%)

national and regional funds excl. France

€1.1bn

spend per year



- **Creation of works (film & TV)**
- **Distribution**
- Events (5%)
- Structural funding (3%)
- Exhibition (3%)
- Promotion (2%)
- Other (1%)

Fair to assume that

the vast majority
of direct public funding
continues to go to **production**

SO...

what is
the impact?

(on financing film productions)



we did a
sample analysis

...to analyze how
European films
are financed



we did a sample analysis

- based on final financing plans
- for 445 live-action fiction films
- released in 2016
- in 21 European markets
- EUR 1.4 billion investment volume
- 42% coverage rate (est)

and what
it shows is...

...that
public support
is a conditio
sine qua non



in terms of
films

Which share of films
is produced with direct
public support?



in terms of
films

% share within
data sample
(overestimation)



[50% - 93%]



% share of total
production volume
(underestimation)



in terms of films

Nr of
sample
countries

12

5

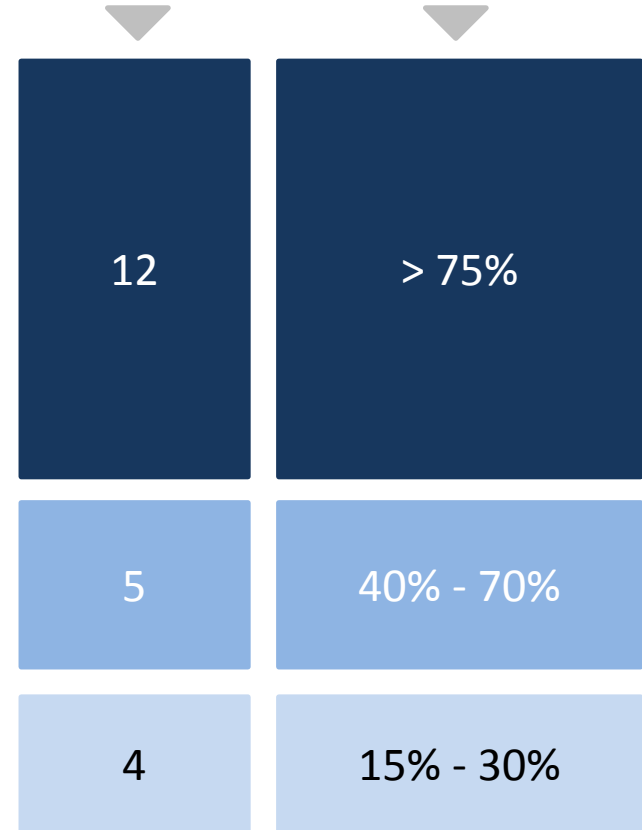
4

Share of films
financed with direct
public funding

> 75%

40% - 70%

15% - 30%

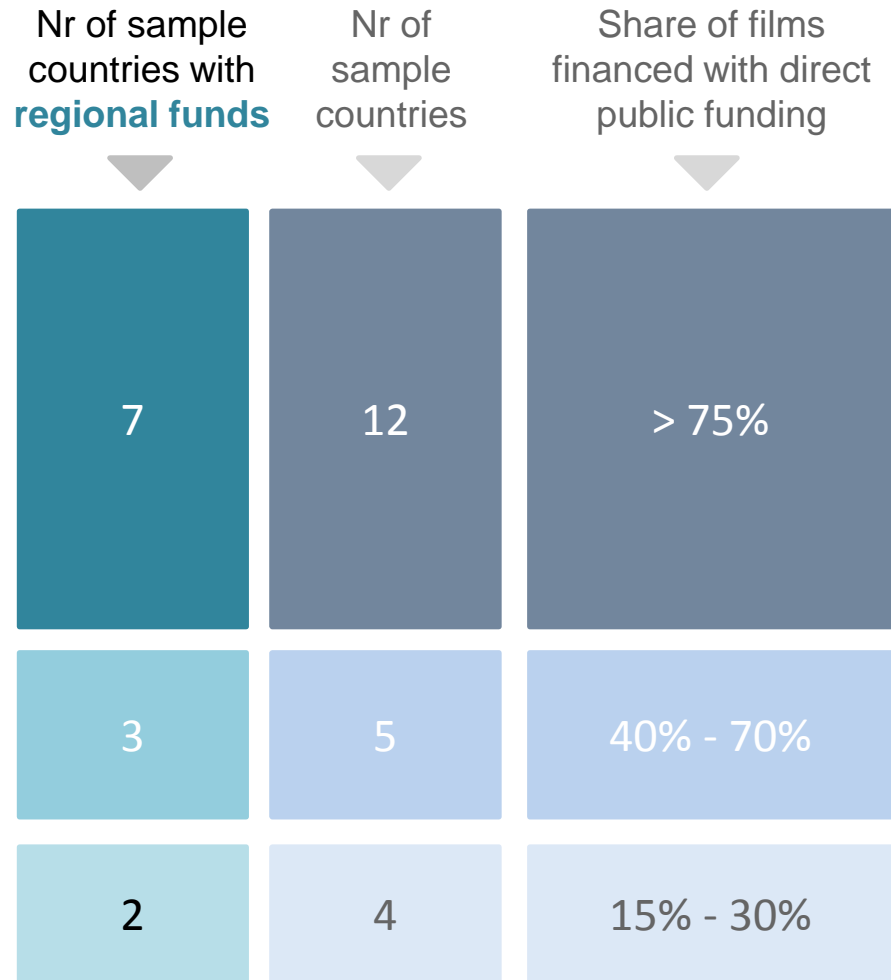




in terms of films

Nota bene:

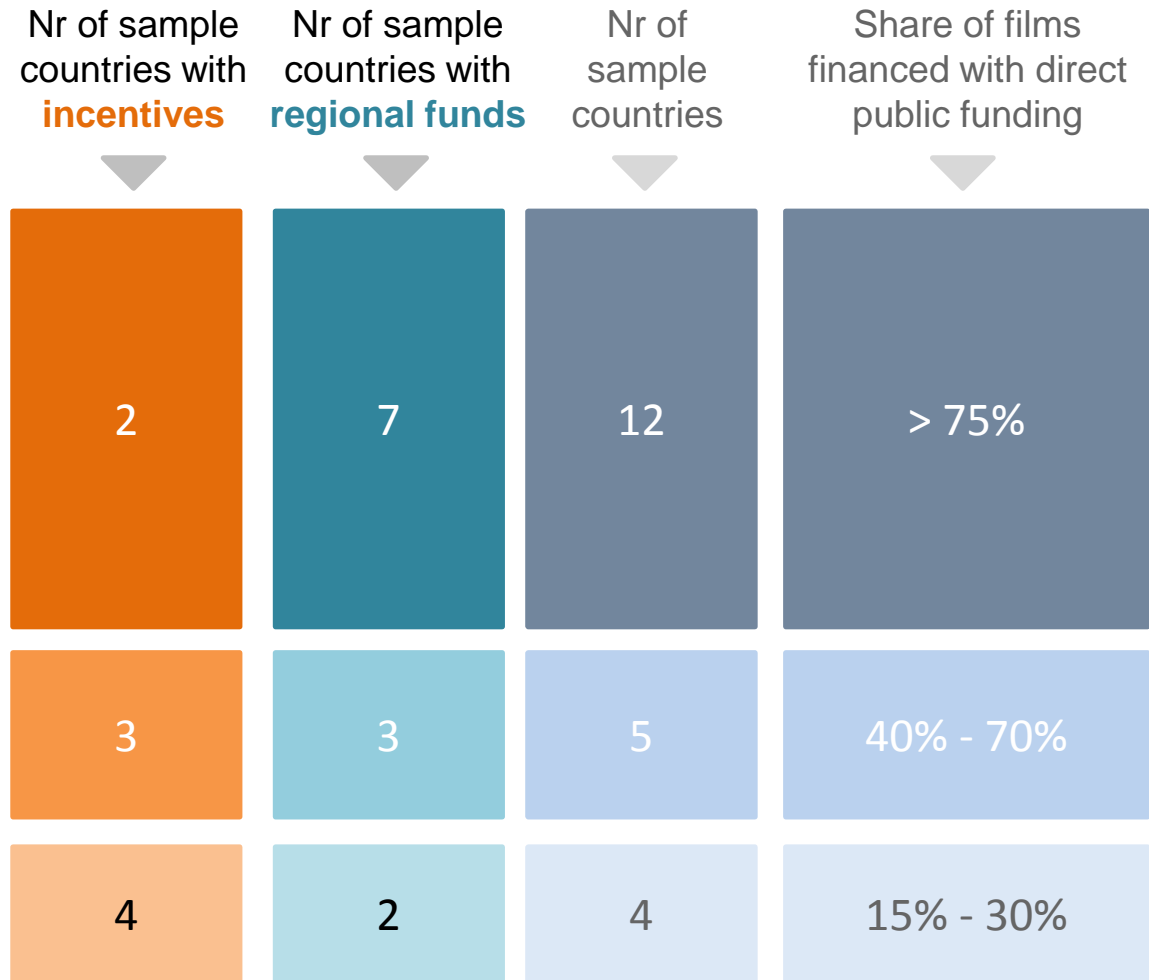
Sample figures underestimate share of films with public support as it mostly covers only films with national public support





in terms of films

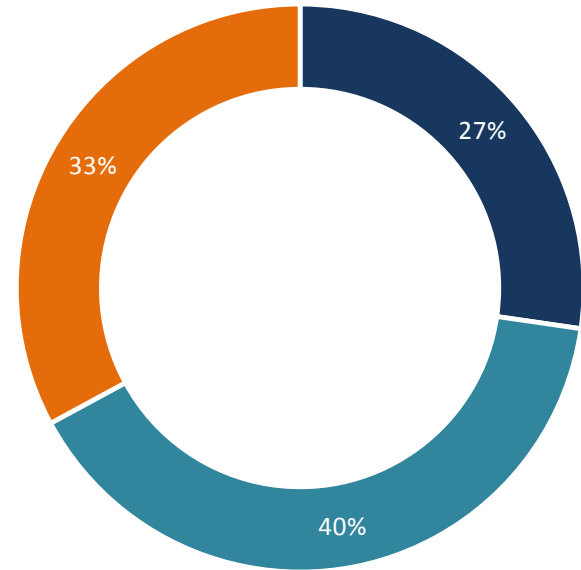
Nota bene:
Sample figures underestimate
share of films with public support
as it mostly covers only films with
national public support





Direct national public funding plays a less important role in Germany

EUR 446 million of direct public support in 2018

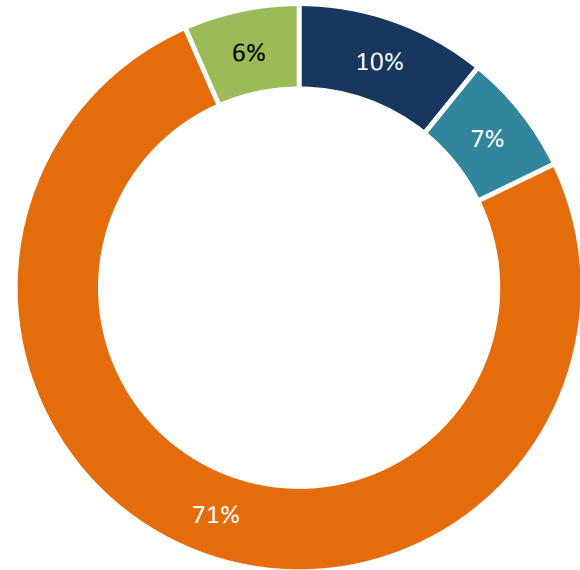


- National direct public funding
- Regional direct public funding
- Incentives



Public investment for film in the UK dominated by incentives

GBP 582 million
of public investment
in film in 2016/2017



- National direct public funding
- Other direct public funding
- **Incentives**
- Public broadcasters



... so,
probably closer to
90% than to 50%

% share within
data sample
(overestimation)



[50% - 93%]



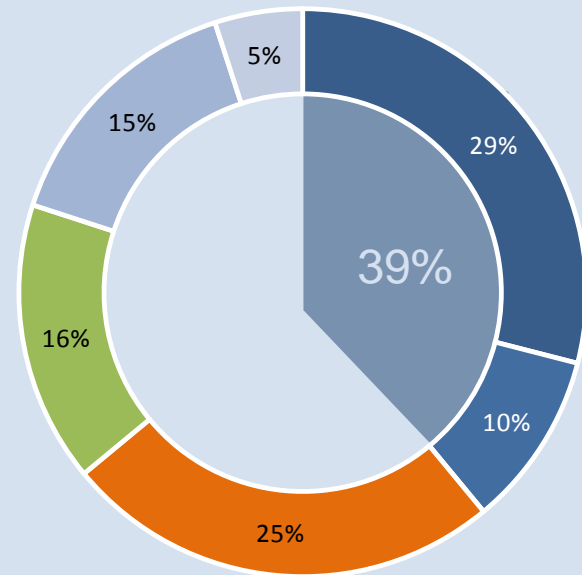
% share of total
production volume
(underestimation)

... and
volume

Which share of film
production spend
is financed by
direct public support?

€1.4bn

sample production investment

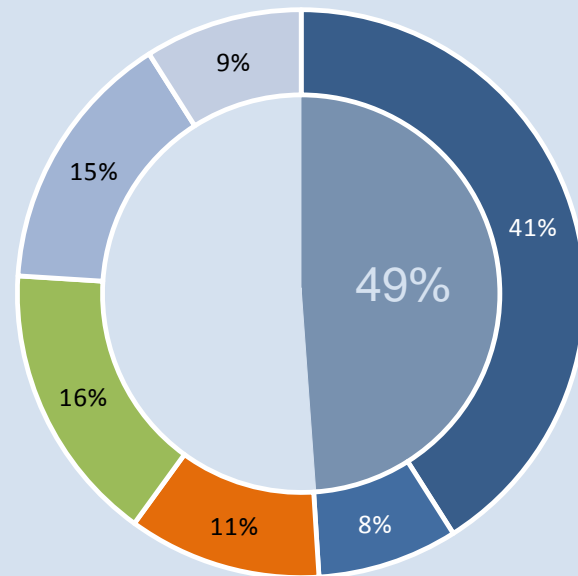


- Direct public funding
- Incentives
- Broadcaster investments
- Pre-sales
- Producer investments
- Other

excl. France

€0.7bn

sample production investment

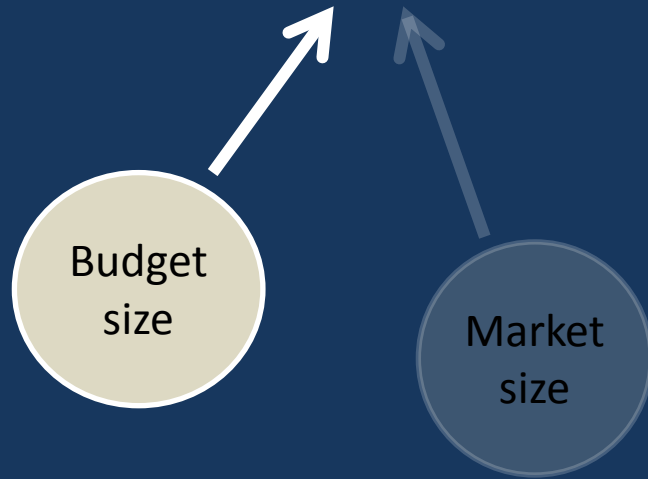


- Direct public funding
- Incentives
- Broadcaster investments
- Pre-sales
- Producer investments
- Other

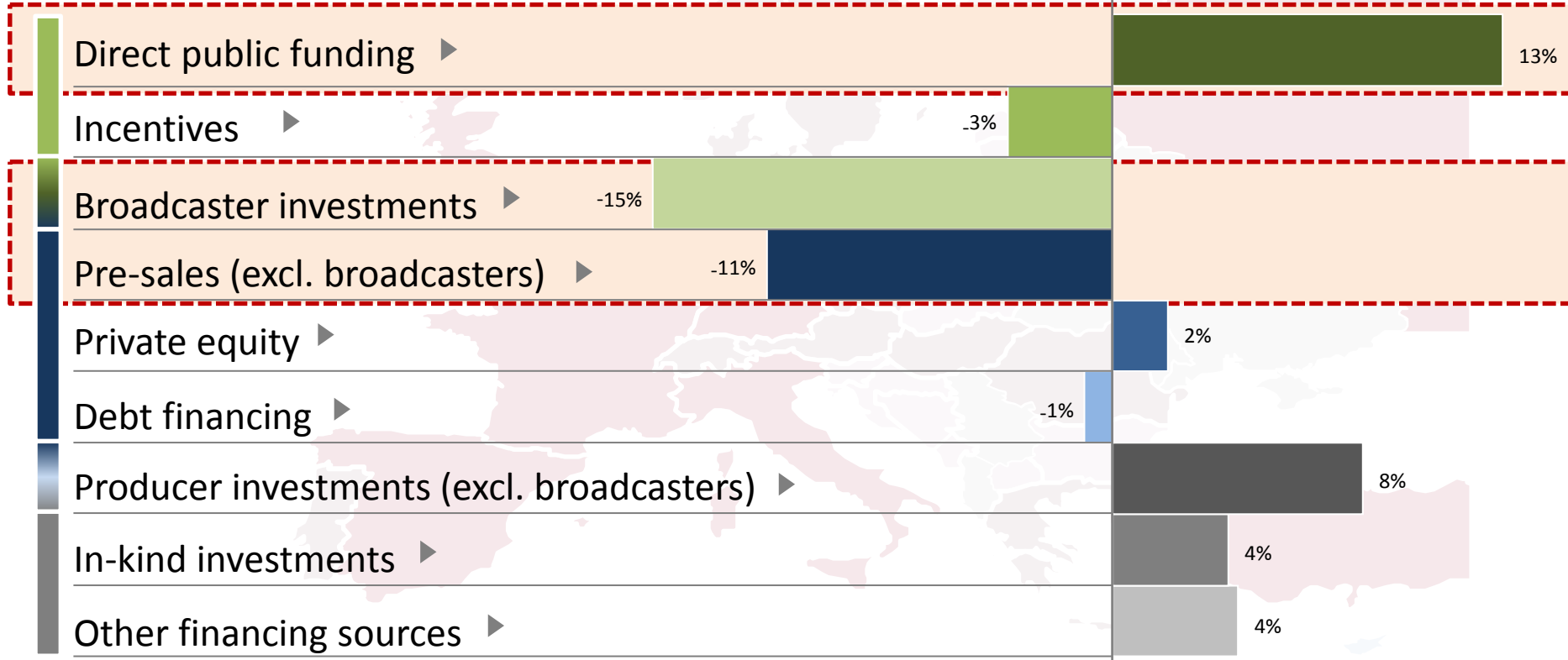
Direct public funding
is the single most important
financing source for European films

... financing
30% to 40% of total
production investment

particularly important for films
with a limited market potential

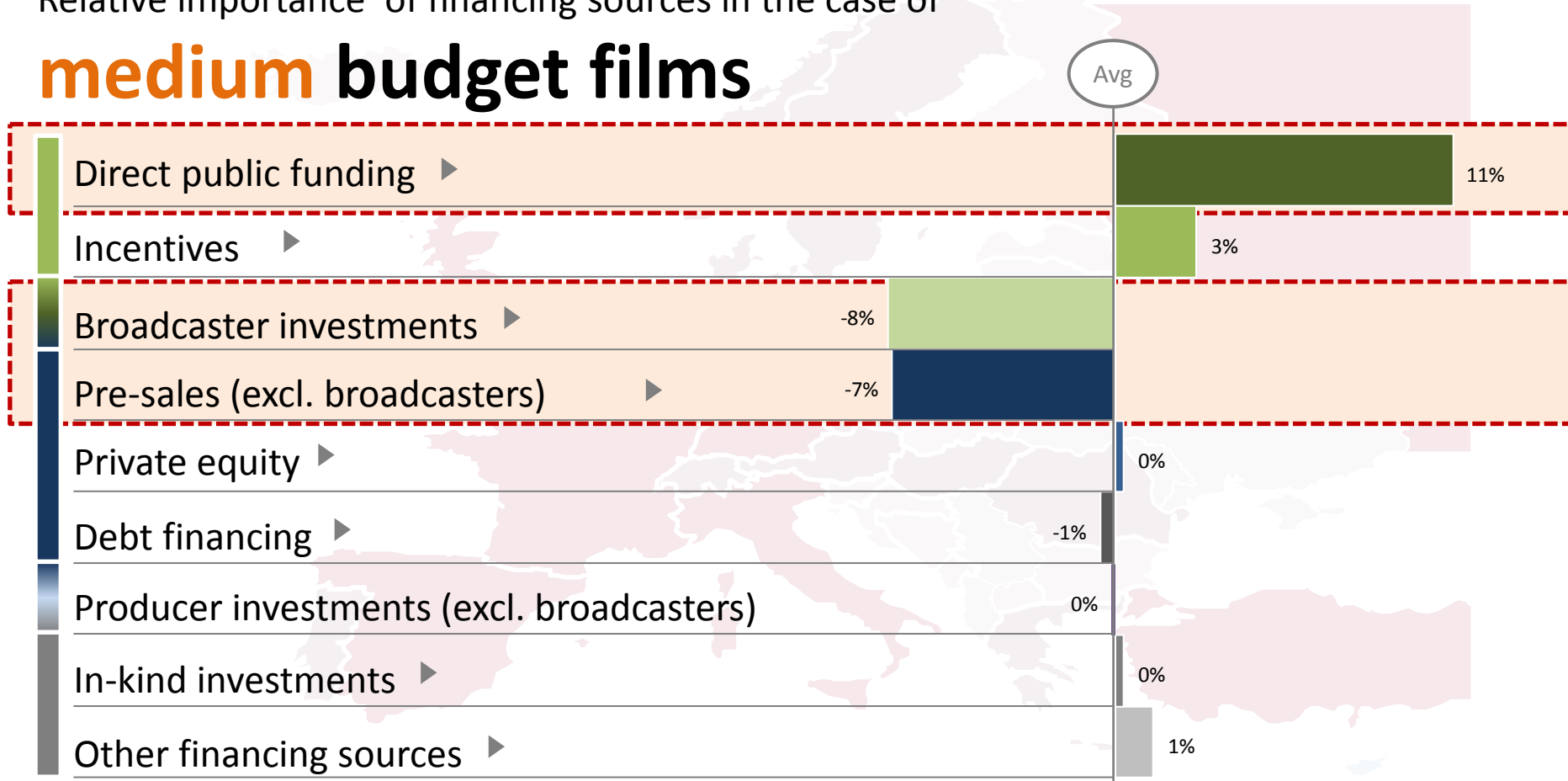


Relative importance of financing sources in the case of **micro-/low budget films**



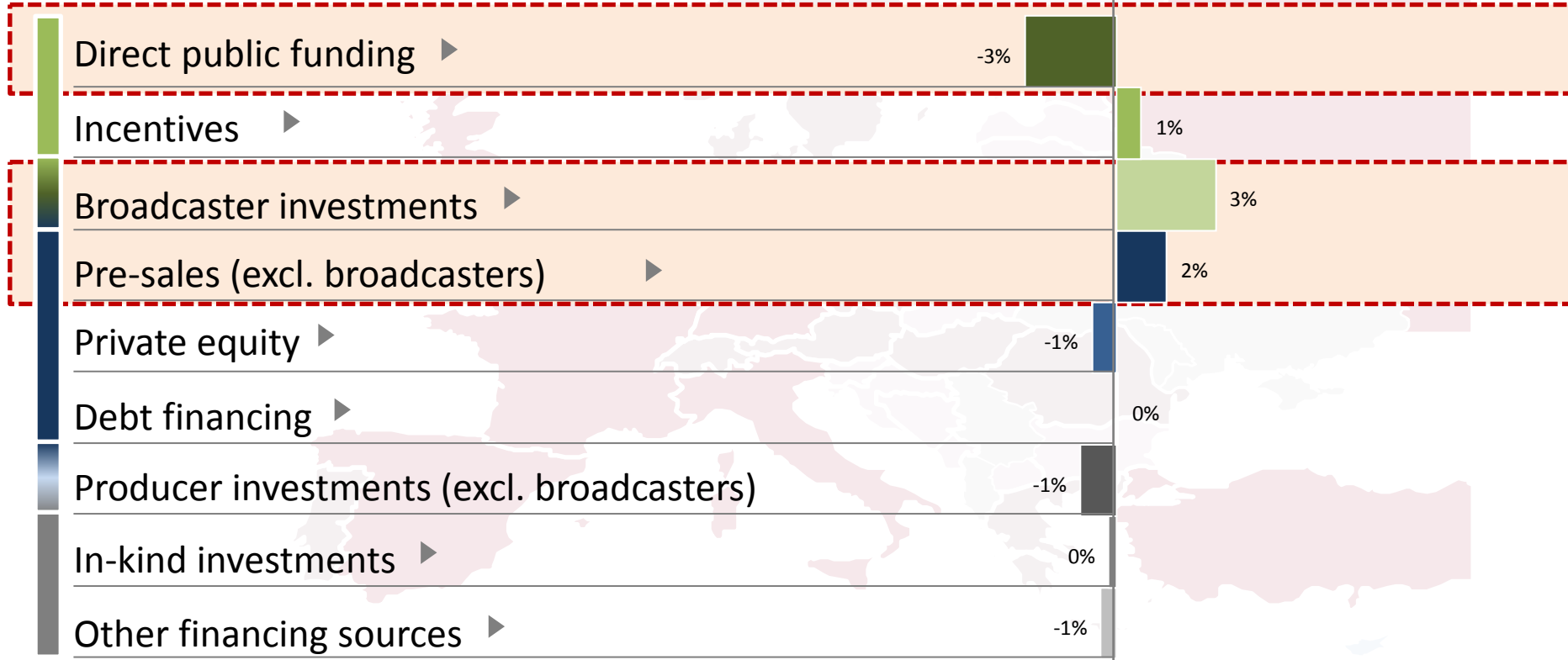
Relative importance of financing sources in the case of

medium budget films



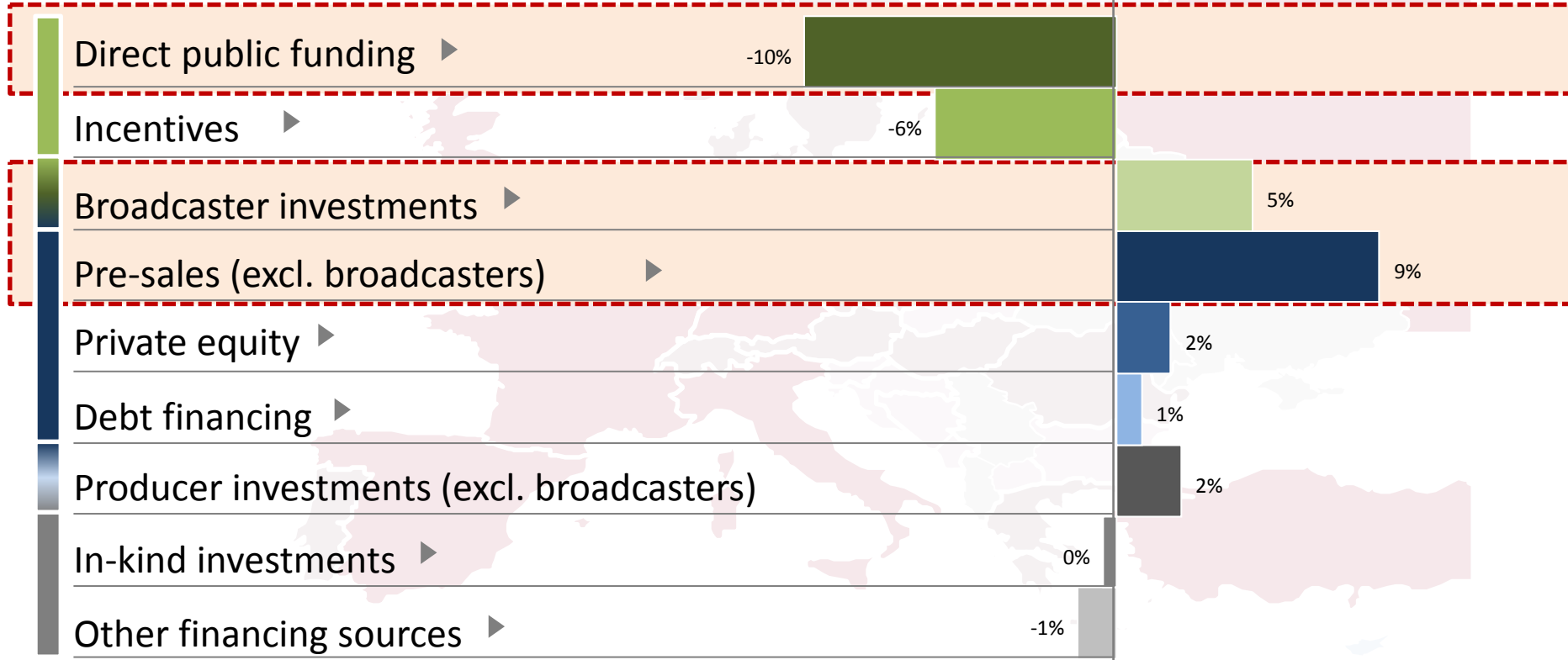
Relative importance of financing sources in the case of

high budget films

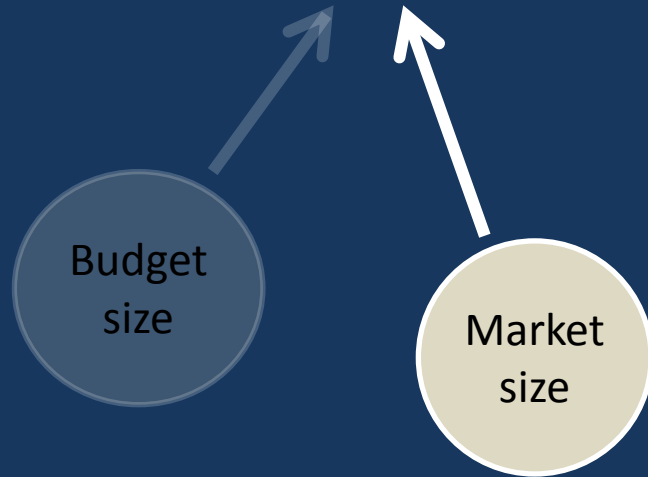


Relative importance of financing sources in the case of

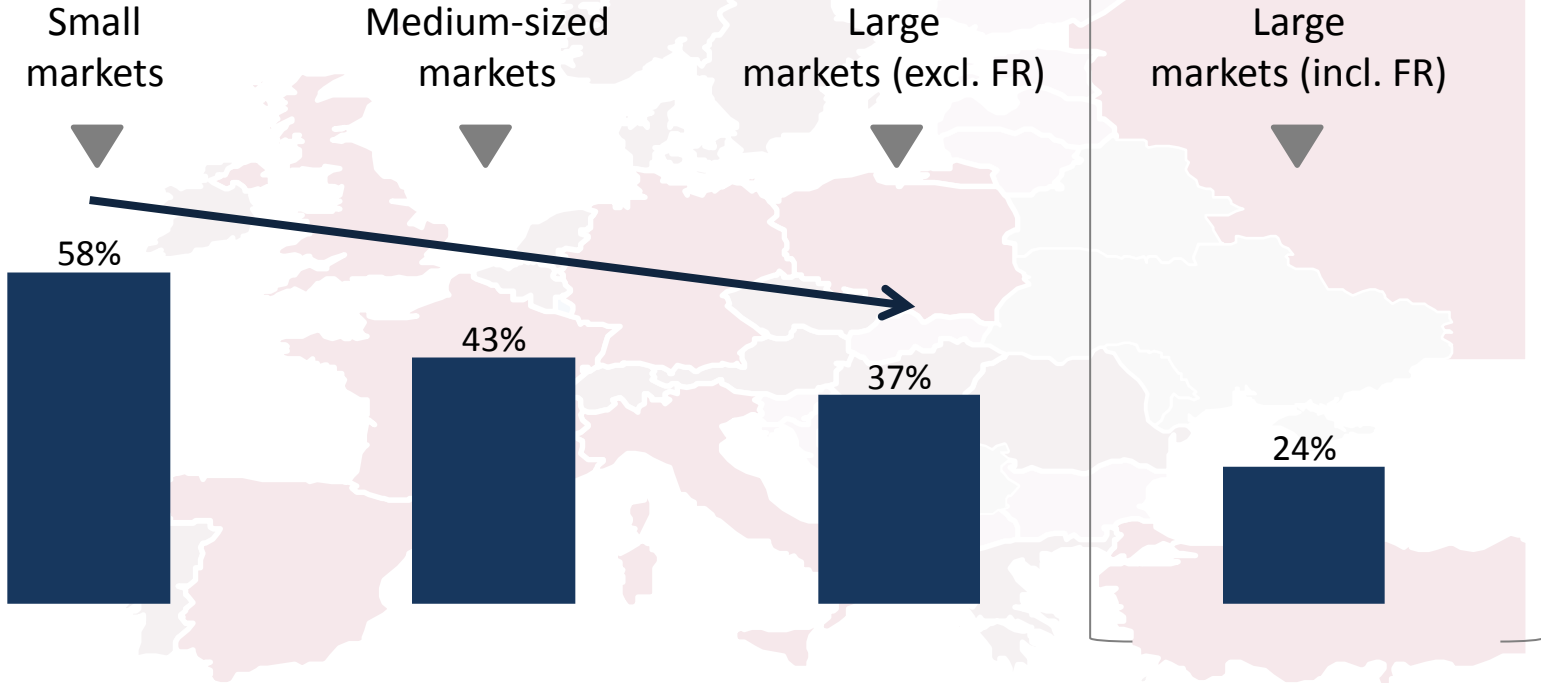
super high budget films



particularly important for films
with a limited market potential



Importance of direct public funding



Importance of

pre-sales (excl. broadcasters)

Small markets



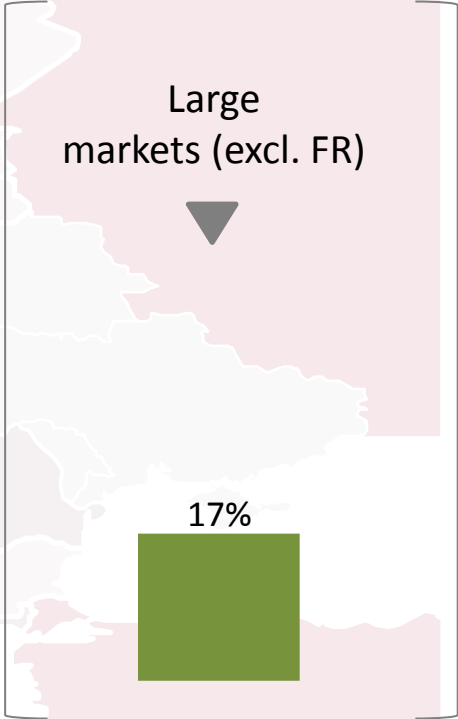
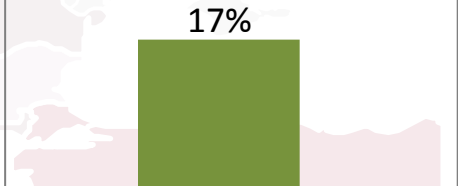
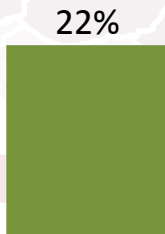
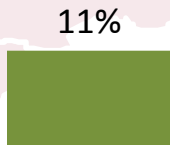
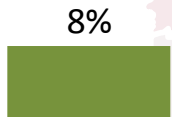
Medium-sized markets



Large markets



Large markets (excl. FR)



particularly important for films
with a limited market potential

...and the vast majority
of European films has a
limited commercial potential!



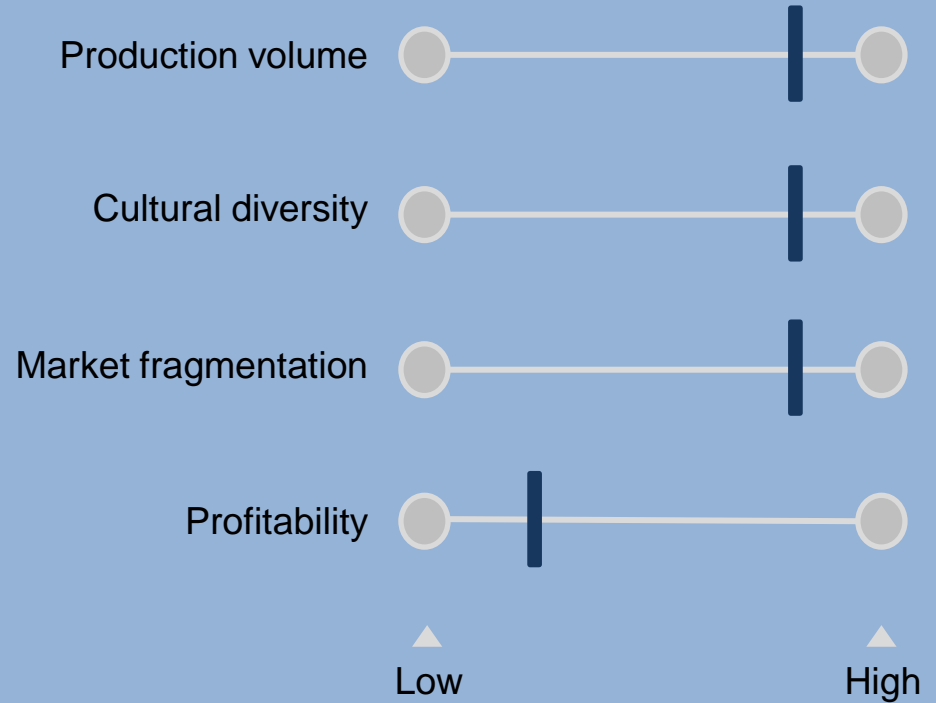


... public support
shapes the
European film
industry



... public support
shapes the
European film
industry

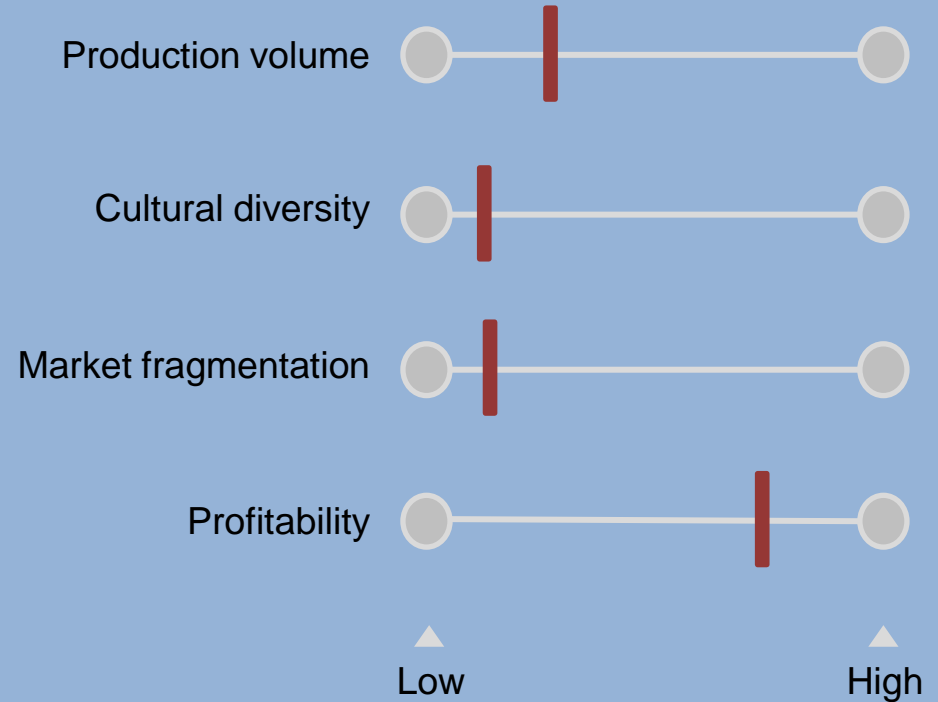
e.g. Europe's film production landscape ...





... public support
shapes the
European film
industry

...without direct public funding



Financing

European films is
a complex puzzle ...

... the crucial
question is:

How will digital
distribution
affect this
complex
financing
system?

VOD

financing

is (still)

insignificant

at least, for films
released in 2016

6 out of 445
sample films
financed by VOD

0.1%
investment volume

at least, for films
released in 2016

however

in France 2018

Broadcaster investments	-21%
Pre-sales (excl. TV)	-26%
Total film investment	-12%

SO...





Financing
crisis?

...and
public support
for feature films
will become even
more important
in the future?

Outlook

(on importance of public support for European theatrical films)



*Film agencies remain strongly committed
to cultural diversity.*

EFADs Vision Paper 2019

*European film will continue to receive public support
but the importance of private financing sources will grow.*

EFADs Vision Paper 2019

*Public money for the audiovisual sector
is continuing to drastically decrease.*

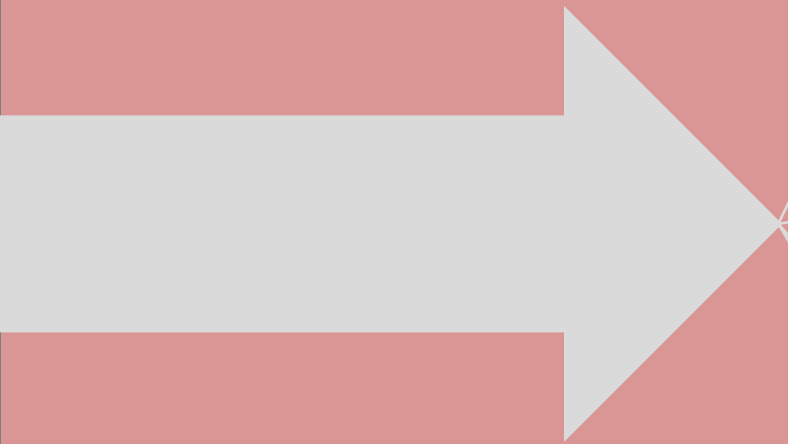
Sten Saluveer, Founder and CEO, Storytek in Nostradamus Report 2019

*Distribution should be valued as highly
by the film funds as production.*

EFADs Vision Paper 2019

“Film” means anything that tells a story [...] through the art of the moving image [...]

EFADs Vision Paper 2019



○ Focus of public support likely to change

- ... shift from film to other formats
- ... shift from production to distribution
- ... increasing focus on economic goals

○ Investments in theatrical film production will decrease

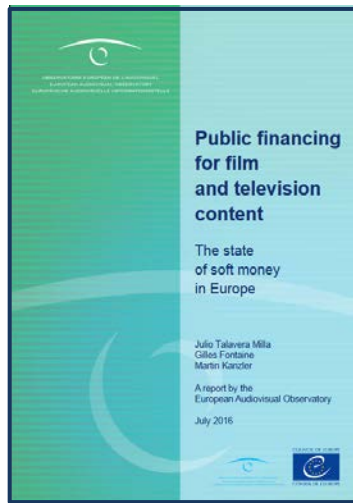
- ... in contrast to AV production

○ Less films

○ Increasing gap b/w commercial films and «difficult» films

(for which public funding will be even more important)

more info



www.obs.coe.int