A publication by the European Audiovisual Observatory

FILM PRODUCTION AND CO-PRODUCTION IN RUSSIA, AND THE EXPORT OF RUSSIAN FILMS ABROAD

September 2016

OBSERVATOIRE EUROPÉEN DE L'AUDIOVISUEL
EUROPEAN AUDIOVISUAL OBSERVATORY
EUROPÄISCHE AUDIOVISUELLE INFORMATIONSSTELLE

COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

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Please quote this publication as
"Film Production and Co-Production in Russia, and the Export of Russian Films Abroad"

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European Audiovisual Observatory
Council of Europe

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EXECUTIVE SUMMARY

Scope of study, objectives, and research methods

Film production, co-production, and export of Russian films abroad are subjects that have received little attention from researchers with regard to Russia. The bulk of quantitative data in these areas of study has yet to be systematised, and this has made the information impossible to analyse. And yet the country is in dire need of this kind of analysis. Such research would measure the size of Russia's film export market and point the way towards expanding it. It would also help determine why so few films are co-produced by Russian and foreign filmmakers, and would produce recommendations for addressing the underlying issues. Although film industry insiders, from producers and distributors to state officials, know that these areas are beset with problems, until now they have had little evidence to prove it.

International accords are closely woven into our nation's legal framework. But although Russia has signed a number of film co-production agreements, the country has no clearly defined state policy governing co-production, no film commissions or fiscal incentives to entice foreign film crews, and a shortage of international business and education initiatives in the industry. The only area of international cooperation currently receiving state support is Roskino's campaign to promote Russian films abroad. Meanwhile, domestic producers currently set their own priorities for international and export activities, relying on the state's selective financial support system alone. It is these independent actors in the film industry, and their choices about how active or passive a stance they wish to take, who dictate the situation on the Russian film market today with regard to co-productions and exports. It is for this reason that it became so pertinent both to conduct a statistical analysis of co-productions and exports for Russian films, and to undertake the first qualitative study of producers working in this field.

Statistics on Russian co-productions and film exports from a range of sources (the LUMIERE and LUMIERE.PRO databases administered by the European Audiovisual Observatory; studies conducted by Movie Research, Nevafilm Research, Film Business Today Magazine, etc.) have been aggregated and analysed for the first time. The results are presented in Chapter 1 of this report. Chapter 2 analyses the responses received from 22 Russian producers and two members of international film organisations (Eurimages and UniFrance) to questions exploring their attitude towards co-production and international distribution, as well as towards the state of Russian cinema in general.

Legal framework

The system of state support for cinematography has undergone radical reform in Russia since 2010. The state now prioritises the support of commercial films produced by large, leading film companies. Film industry legislation is updated every year: a more comprehensive anti-piracy law, new regulations on film release dates in Russia, subsidies for cinemas in small towns to expand the country's film distribution coverage, the decision to designate 2016 the Year of Cinema, and the introduction of new guidelines for film subsidies are examples of important legislative changes in 2015–2016 that were aimed at supporting the national film industry. Other initiatives discussed in 2016, which have not yet entered into force, included tax breaks for Russian animators, levies on cinemas, television channels, and video-on-demand services designed to support the Russian film industry, local film commissions set up in the provinces, and a fiscal incentive structure.

Interestingly, our interviews revealed that, in the opinion of producers, the biggest obstacle to expanding co-production with Russia is the lack of state support for projects originating in other countries and produced with Russia as a minority participant. This issue can be addressed at the legislative or executive level by instituting a separate co-production funding scheme run by the Ministry of Culture or the Cinema Fund. Some respondents also believe foreign producers shy away from co-productions with Russia due to a lack of fiscal incentives for films shot in the country. This is another pressing issue for the government to consider.

While Russian producers did welcome the changes in the state's anti-piracy legislation, they noted that the problem of piracy remains largely unsolved. It still has an enormous impact on the potential to monetise films produced and renders the fate of a film after distribution commercially meaningless.

Film production and co-production

A quantitative analysis of film production in Russia shows that there has been an appreciable increase in the number of films produced. Over the last five years, the number of feature releases has risen by 50%: from 61 national and 23 regional releases in 2011, to 91 national and 25 regional releases in 2015. The market for other types of audiovisual product has also expanded, owing to the cinema distribution of documentary films and short animated film series, made possible by the complete digital conversion of the cinema network. At the same time, while in rouble terms the country's film production budgets have remained stagnant over these five years, hovering around RUB 110 million, the falling rouble has brought their cost in euros down significantly, making Russia a more attractive destination for foreign producers.

Still, while the sheer volume of Russian film production continues to grow steadily, the number of co-production projects, which had been increasing between 2011 and 2014, fell sharply in 2015, from 24–32 films per year to just 14 (or from 27% to 10% of all films released in Russia). It is interesting to note that 2013–2014 saw a drop in the number of projects with majority Russian participation (from 10 to 4–6 per year), while in 2015 the trend reversed, and the number of majority co-productions increased to seven.

This may be connected to a number of objective factors: the dissolution of the Cinema Fund's International Department and the cessation of activities conducted by the Russian–German Fund for the support of joint projects and the French–Russian Academy in spring 2013, heightened political tensions in early 2014 (although Russian film industry ties with all CIS members except Ukraine remained seemingly untouched by the global political crisis), fluctuations in the national currency, and so on. It is also important to note that not all films produced in 2015 (or earlier) went into domestic distribution by the middle of 2016 or international distribution by the end of 2015, thereby ruling them out of this study.

During the qualitative phase of the study, Russian producers also lamented the unfavourable political circumstances for cooperation both at the macro level (the country's image abroad) and at the level of specific partnership opportunities (mutual distrust). Respondents talked about the need for a more effective cultural dialogue with other countries, which, among other benefits, would help to improve relationships and partnerships in the film industry. However, according to producers, the most challenging hurdle for co-production in Russia is the narrow range of subjects that would be of interest to producers from both countries. Coupled with that, there is a sense that there is no systematic understanding of which themes and issues would make for successful co-productions with various countries. Respondents noted the difficulty foreign audiences have with understanding Russian cinema due to differences in mentality, language, and general expectations from films. Those problems are obstacles both to expanding co-productions and to increasing exports of Russian films abroad.

On the other hand, Russian producers are also affected by a shortage of professional skills like fluency in English and legal competencies, a dearth of expert personnel with international experience, and their own inertia and low motivation when it comes to working with foreign partners. Some Russian producers mentioned that their counterparts in other countries employ different management methods and operate under a different business culture.

Leading market players and major co-producers

The leading producers of films intended for theatrical distribution are companies which are in receipt of government subsidies from the Cinema Fund. In 2016, state support was given to Art Pictures Studio, Direktsiya Kino, CTB, Non-Stop Production, Nikita Mikhalkov's Studio TRITE, TABBAK (Bazelevs), Central Partnership, and Enjoy Movies. Only a few independent producers are able to compete with these companies, and only when they also receive support from the Cinema Fund or Ministry of Culture, or are working in partnership with state-supported companies. Yet a large number of producers making films without state support, either in Moscow or especially in the regions, cannot compete in terms of the number of films released or budget, which is subsequently reflected in their distribution results. State support, and the fact that it is concentrated in Moscow, therefore currently has a significant impact on the market.

In addition to the Cinema Fund's own list of industry leaders, we identified Interfest (Real-Dakota), New People, Igor Tolstunov's Production Company, Lunapark Production, and the Russian Film Group as the studios which released the highest number of films between 2011 and 2015. These studios often operate their own distribution subdivisions and produce primarily commercial films. All of the leading companies also try to release their films on television following their theatrical release, while animation studios (including Melnitsa, Kikoriki, KinoAtis, and Animaccord) produce television series. This strategy compensates for the small number of cinemas in Russia, which prevents the majority of Russian films from breaking even in distribution and even affects foreign releases. In 2016, an unprecedented number of companies which distribute European films in the CIS turned to Eurimages for support. This factor is also behind the efforts of Russian producers to enter foreign markets: virtually all leading domestic film production companies we analysed, including animation studios (especially Wizart Animation), sell their films abroad, including in countries outside the CIS. The interview respondents also complained that the domestic market is too small. They expressed an interest in co-production as a way to bring in additional production funds and meet international standards, and in exporting their films as another way to monetise projects.

Nevertheless, most market leaders did not engage in any co-production projects in

2011–2015. The most active Russian production companies in this area were CTB (in partnership with Europe, including Eurimages) and Bazelevs (active in the USA thanks to the work of its founder, Timur Bekmambetov). Real-Dakota makes more films with companies in Kazakhstan than other producers. Non-Stop Production founder Alexander Rodnyansky tries his hand at the North American market with enviable regularity. In 2016, he was admitted to the US Academy of Motion Picture Arts and Sciences, which awards the Oscars. Meanwhile, the Russian Film Group is currently working on the first ever Russian–Chinese co-production. In the qualitative phase of our study, the majority of respondents acknowledged that even given the various problems stemming from the political and economic crises of the last few years, they have had a favourable experience co-producing with foreign partners and have been successful in selling films abroad. However, these results are far from universal.

Russia's main partners are filmmakers from the CIS: Belarusfilm is the country's most active foreign co-producer. Cooperation with these countries has its roots in the Soviet era. Germany and France are also fairly active in this respect: here, it is not only tradition which plays a role, but also the joint Fund and Academy, established in 2011 as part of the Cinema Fund's International Department. In partnerships with the USA and Britain, Russian producers generally play a minor role in hopes of obtaining a share of revenue from the global distribution of English-language films.

The export of Russian films and the import of European films

Ukraine and the USA remain the countries with the largest foreign audiences for films co-produced with Russia, racking up an average of one quarter of the total foreign attendance for Russian co-produced films. However, while in North America this figure owes much to Russian minority co-productions, Russian-led projects are the main market component in the CIS and former Soviet republics, where there are large Russian-speaking populations, and in countries newer to cooperation, such as South Korea and China. We are witnessing a ramping-up of export activities from Russian producers aimed at new regions where Russian films have never been screened before or have enjoyed limited popularity. This is mirrored by a decline in the traditionally close CIS markets.

Taken together, cinema attendance in three key neighbouring nations – Ukraine, Kazakhstan, and Belarus – amounts to about 20% of domestic attendance. At their most successful, domestic producers sold up to the equivalent of 19% of the tickets sold in Russia in these three countries. Due to the decline in the Ukrainian market over the past two years (from 12% relative to the Russian figures in 2012 down to just 5% in 2015), the Russian film market in the former Soviet republics has dropped to just 10% of domestic attendance figures. Nevertheless, that is still two thirds of the total attendance figures for Russian films abroad. It is no wonder, therefore, that the loss of the Ukrainian film market presented a major problem, leaving Russian producers with a much smaller market in neighbouring countries after Ukraine completely banned the showing of new Russian films on television in spring 2016 and imposed strict censorship of Russian films in theatrical distribution. In 2015, attendance for Russian films in Kazakhstan and Belarus also fell.

The second most significant region for Russian producers is Europe, attracting a further 10–15% in foreign admissions. European distribution of

Russian films can be divided into two categories: commercial films released in regions which are more culturally aligned with Russia (such as the Baltic countries, Eastern Europe, and Turkey) and art-house films released in Western Europe, especially in France.

Interestingly, there is no evident symmetry with Russian distribution of films produced in Europe and the CIS. In Russia, European productions account for 32–40% of releases and attract 12–24% of cinemagoers. The most popular films are predominantly made in France, the UK, and Germany, while films produced by CIS member states (not counting co-productions) rarely reach Russian screens.

Other global markets rack up another 10% on top of Russian attendance figures. Here, Russian animated films are making inroads. Wherever *The Snow Queen* series has been released, it always comes in ahead of other Russian (primarily arthouse) films by a wide margin. It should be noted that the data available for China shows the significant appeal of this market (two Russian films released in China account for 3% of all known foreign attendance); however, given the size of the market, the popularity of Russian films appears very modest by Chinese standards. Meanwhile, China and the Asian region as a whole, along with the Middle East, have been emerging as some of the main markets for Russian animation and high-budget feature films.

During the qualitative phase of the study, producers noted that Russian films are marred by inadequate technical and visual quality due to low budgets, which prevents them from succeeding on a global scale. Moreover, international activities have not proven to be particularly profitable for Russian producers, even given the limited size of the domestic market. Respondents similarly believe that in most cases, purchasing Russian films is not profitable for foreign distributors. The producers interviewed attribute the limited profitability of Russian cinema abroad primarily to a lack of support for domestic cinema, and to Russia's ineffective positioning on the global market, hindering its ability to shape and improve the image and competitiveness of Russian cinema.

In spite of all the issues identified through our qualitative and quantitative analyses, on the whole, co-productions and exports are growing and expanding areas of the market in Russia today. An increase in the volume of such productions will not so much depend on the actions and wishes of foreign partners as it will on the actions of Russian state bodies and the initiatives taken by domestic producers. The question remains as to which countries Russia will cooperate with in the future. The results of the study appear to indicate a smooth shift of focus away from Europe and towards Asia.

2016

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INTRODUCTION

Since the breakup of the Soviet Union, the Russian film industry has officially maintained some very close international relationships. Russia is a member of the European Convention on Cinematographic Co-Production; the European Audiovisual Observatory; and Eurimages, the Council of Europe fund which provides support for the production and distribution of film and audiovisual works. Russia has also signed international agreements governing co-productions with the CIS countries, France, Germany, Italy, Bulgaria, and Canada.

However, the list of countries with which official agreements have been signed has not been growing in recent years, despite information surfacing from time to time about negotiations taking place (with Chile, Venezuela, India, and China, for example). Moreover, Russia still lacks a distinct state policy on cinematic co-productions, a fact which has become especially clear since the dissolution of the International Department of the Federal Fund for Social and Economic Support to National Cinematography (Cinema Fund) in 2013 and the termination of all the agreements it had reached (including those regarding the French–Russian Film Academy, the German–Russian Co-Development Fund, and others). Russia also has no film commissions (at either the regional or the national level) and no system of tax incentives that might attract foreign film crews to the country. Finally, there are insufficient international business and education programmes for the film industry (for instance, the industry's biggest business event, Moscow Business Square, operating under the auspices of the Moscow International Film Festival, did not take place in 2016 due to a lack of funding).

The only area of international cooperation currently receiving attention, including in the form of state support, is the promotion of Russian films abroad. Russia, through the company Roskino (formerly Sovexportfilm), is represented at all the major global film markets, thanks to which an ever-increasing number of Russian films is being sold outside the country, including for theatrical release. However, these efforts are clearly insufficient, given that there is no state funding for advertising campaigns, travel for the creative team, or even translation, subtitling, or dubbing of Russian films which have already been sold abroad.

At the same time, Russia is a country with long-standing cinematic traditions; and one which has made a significant contribution to the history and development of global cinema. Many Russian directors still occupy lofty positions in the world of the cinematic arts, and have received prizes at festivals and competitions and participated in creative studios and residencies. Domestic producers today identify their own priorities for international and export activities, relying only on selective financial support from the state (the Cinema Fund, the Ministry of Culture, and Roskino). It is these independent actors in the film industry, and their choices about how active or passive a stance they wish to take, who dictate the situation on the Russian film market today with regard to co-productions and exports.

For that reason, one goal of this study has been to examine international activities in the Russian film industry not just on the basis of objective facts supported by statistics, but also from the viewpoint of the producers themselves and their subjective opinions of the situation.

To achieve this, we designed our study to consist of two parts, a quantitative section and a qualitative section. These are supplemented by a description of the legislative developments affecting the film industry which have been adopted since 2014, when the previous study of the Russian film market was published by the European Audiovisual Observatory[1] (Chapter 1).

[1] See *The Film Industry in the Russian Federation.* Report prepared by Nevafilm for the European Audiovisual Observatory in cooperation with Movie Research (Universe Consulting) and iKS Consulting Strasbourg, December 2014 – http://shop.obs.coe.int/en/markets-financing/24-the-film-industry-in-the-russian-federation.html.

In the quantitative part of the study (Chapter 2), Section 2.1 gives details of the **volume of film production** in Russia in the 2011–2015 period, and presents the major Russian production companies. Section 2.2 reviews **numbers of co-productions** between 2011 and 2015 (excluding some films which had yet to be released for domestic distribution by the middle of 2016, or international distribution by the end of 2015), the countries that most frequently cooperate with Russia, and the companies most active in co-producing (both Russian and foreign). This section also includes data about **Russia's participation in Eurimages** since joining the organisation and to the present day (2012–2016). Section 2.3 is dedicated to the **export of Russian films** in the 2010–2015 period (with respect to distribution in the countries of the former Soviet Union, Russian films made from 2010 to 2015 are considered, while for other markets, analysis focuses on films made between 2010 and 2014). We discuss the future of film export based on content analysis of media coverage in the 2014–2016 period. We then examine the **import of European films** into Russia (Section 2.4) in order to assess the degree of interaction between these two regions.

The qualitative, sociological research(Chapter 3), which included 24 individual, in-depth interviews (for more details, see Section 3.1, Research Methodology), consists of an analysis of Russian film producers' opinions, not only about international co-production and the export of Russian films, but also with regard to the current situation on the domestic market.

The sections dedicated to film production and co-production in the quantitative section of the report were compiled by exports from Movie Research. Data on the export of Russian films and the import of European films were examined by analysts from Nevafilm Research. Attendance figures for Russian films distributed outside the former Soviet Union were collected from the LUMIERE and LUMIERE.PRO databases administered by the European Audiovisual Observatory. Our qualitative analysis was completed by independent sociologist Victoria Ivanova, along with Nevafilm Research's senior analyst Xenia Leontyeva.

The research team would like to thank all of those who participated in the study for their time, professionalism, and candour during their personal interviews, which assisted us during our qualitative research. We would also like to thank the Producers' Guild of Russia for its help in arranging the interviews.

1. FILM PRODUCTION IN RUSSIA: INSTITUTIONAL FRAMEWORK

In Russia, the film industry is federally regulated by a department within the Ministry of Culture[2]. In 2010, the Ministry delegated some of its functions related to the financing of film production, distribution, and exhibition to the Federal Fund for Social and Economic Support to National Cinematography (the Cinema Fund)[3]. The Ministry of Culture still regulates the industry and supports non-profit projects, while the Cinema Fund handles commercial releases.

1.1. Legislative changes introduced in 2015–2016

Among important legislative changes crafted to directly or indirectly support the national film industry, we can point to the introduction of a more comprehensive version of the country's anti-piracy law, regulations governing film release dates in Russia, subsidies for cinemas located in small towns designed to expand the country's film distribution coverage, the decision to designate 2016 as the Year of Cinema, and the introduction of new guidelines for film subsidies.

The new, expanded version of the **Anti-Piracy Law** (No. 187-FZ dated 2 July 2013) went into effect on 1 May 2015. This version expands regulations to all types of media covered by copyright and related rights except photography. In addition, Moscow City Court, which handles copyright and related rights cases, now has the authority to indefinitely block internet resources caught repeatedly violating the same holder's rights. The law also provides for out-of-court settlement if the website owner responds to the rights holder's request and removes unlicensed content from its web pages within 24 hours. The indefinite block option was first invoked in October 2015 against Russia's most popular torrent tracker, rutor.org, and went into effect in late January 2016. In April 2016, the country's second biggest torrent tracker, nnm-clab.me, was also blocked indefinitely. This law provided Russian filmmakers with a more effective tool for protecting their films from piracy.

In late 2014, the issue of setting quotas on Russian films, regularly raised in the State Duma, gave way to a new proposal: **to regulate the release schedule** of foreign films to prevent them from clashing with major national releases financed by the state. This initiative took shape in February 2015, when Minister of Culture Vladimir Medinsky suggested that the government "save the date of 30 April", when the promising Russian film *The Dawns Here Are Quiet* was set to be released. As a result, Walt Disney Studios Sony Pictures Releasing (WDSSPR) was forced to reschedule the Russian release date for *Avengers: Age of Ultron,* agreeing to premiere the film in Russia a week before its global release date in order to get its distribution licence. By summer 2015, the distribution licence was amended to include the field 'Date of Russian release'; and in spring 2016, the Ministry of Culture was given the right to refuse or recall a distribution licence if several films aimed at "the same target audience" were scheduled to be released all at once (Government Decree No. 143 to Approve the Procedure for Issuing, Refusing, and Recalling Film Distribution Licences and the Procedure to Introduce the National Film Registry, dated 27 February 2016). The first Expert Council to oversee distribution licence disputes, however, was not formed until July 2016. The new Council included Ministry of Culture and Cinema Fund officials, film distributors, cinema chain executives, and

[2] http://mkrf.ru/ (Russian only)
[3] http://eng.fond-kino.ru/

film producers. The Council will be in charge of setting release dates in cases where the parties cannot come to an agreement within the time allotted by the Decree. Council members involved in a dispute must recuse themselves until the case is settled. This measure is designed primarily to create a better film distribution environment for Russian films. Russian releases are spread unevenly throughout the year: most are released in winter, particularly during the extended New Year holiday season, while summer remains the traditional stronghold of Hollywood blockbusters with the fewest number of national releases. At the same time, Decree No. 143 sets no limitations on countries of origin which are subject to this release date regulation. In other words, the Decree could be applied to both foreign and domestic films.

Another challenge facing the industry is the insufficient number of cinemas serving communities outside Russia's major cities. To tackle this issue, Mr. Medinsky announced back in February 2015 that the government planned to renovate old cinemas and recreation centres in small towns across the country. Late last year, the Cinema Fund was authorised to use RUB 705 million from the federal budget to **purchase digital film projection equipment for newly opening cinemas in cities with populations of under 100,000.** A total of RUB 766.7 billion in subsidies was distributed during the second round of bidding in spring 2016. This programme was designed to expand cinema coverage by 298 screens by the end of 2017, with those receiving subsidies pledging that at least 50% of their schedule every quarter for the next three years would consist of domestic releases. These initiatives are expected to improve access to modern film screening facilities for 6–7 million Russian residents, driving attendance numbers up, primarily for domestic releases (thanks to the schedule planning element). As a result, Russian films will have a better chance of breaking even, although relatively low living standards in small towns will limit cinema ticket prices compared to major cities.

A sweeping cinema modernisation programme is being implemented in 2016 under the aegis of the **Year of Russian Cinema.** This year, the Cinema Fund gave film producers another gift, with the announcement that all subsidies granted to boost the country's film industry would be non-repayable: filmmakers would not have to pay back the funds. Before that, the goal had been to increase repayable subsidies to 40% of the Cinema Fund's entire state support budget.

Plans to expand cinema coverage in small cities were defined in the new **Rules for Providing Federal Subsidies in Support of the Film Industry** (approved by Federal Government Decree No. 38 dated 26 January 2016). The regulations had previously been revised in 2012 and 2013, but the new version widened the scope of subsidies: in addition to promoting the exhibition of Russian films in small cities, the rules now also govern the use of audio description for the visually impaired and captioning of domestic productions. This addition is in step with the government's determination to expand access for viewers with visual and hearing impairments. In 2016, projects that included captioning for the hearing impaired and audio description for the visually impaired were expected to be given top priority in the distribution of state subsidies. In March 2016, the State Duma approved the first reading of a draft law that would require all films applying for state financing to include these two components.

On the other hand, the 2016 regulations included new conditions for receiving subsidies. Recall that since 2013, filmmakers applying for state subsidies have had to present their bids publicly and in person. This procedure applies to independent studios and to leaders of the Russian film industry alike. In addition, producers must provide a security deposit with each individual application in the amount of 3% of the subsidy amount requested from the Cinema Fund or the Ministry of Culture. The new rules define the following requirements:

- no outstanding taxes or duties;
- top-priority subject matter and compliance with the basic principles of state support, approved annually for the film industry by the Ministry of Culture;
- first-time live-action feature directors must work with a creative director.

Subsidy decisions also take into account the following additional information:

- the company's previous productions subsidised by the government, the list of Russian and international film festivals and film markets where they were shown, and nominations and awards they received; release dates (for live-action and animated features) or broadcast dates (for television series, documentaries, animated shorts, and special projects);
- preliminary theatrical distribution agreements reached with respect to the project, unless it is by a first-time director (for live-action and full-length animated features), television broadcast agreements (for television series, documentaries, animated shorts, and special projects), or co-production agreements with television networks (for television series).

The new rules also set out grounds for refusing to subsidise a project. A project may fail to receive a subsidy if documentation is missing or incorrectly completed; the information provided is incomplete and/or false; insufficient limits are set on the budget; the requested amount exceeds the maximum amount available as a subsidy; and/or if information about previous projects and preliminary agreements with television channels or distributors is not provided.

In addition, it is no longer the right, but rather the responsibility of the Ministry of Culture and the state financing oversight bodies to monitor the Cinema Fund and film companies which receive the subsidies.

Producers subsidised by the federal budget are now prohibited from converting these funds to foreign currencies for any purpose other than purchasing high-tech equipment, raw materials, or accessories from abroad. Note that this condition could further strain the already limited ability of Russian producers to collaborate on international co-productions.

Another financing limitation was expected to hit film producers with approval of the 2016 Federal Budget (No. 359-FZ dated 14 December 2015), which required all companies (including those in the film industry) that receive state support to have active Treasury accounts as of 1 April 2016, which would be used for all state financing transactions with the Treasury. This measure would have made it much more difficult to settle accounts in the film industry and it met with opposition from the country's film community, backed by the Cinema Fund. As a result, in May 2016 film production and exhibition companies receiving state subsidies were officially absolved from the requirement to use regional branches of the Federal Treasury for all transactions involving government funds. The decision was announced on the Cinema Fund website. Still, to ensure that all transactions are secure, subsidy recipients must restrict their state financing transactions to credit organisations which hold a general licence issued by the Central Bank of Russia, are registered with the Deposit Insurance Agency, and are majority-owned by the state (alternatively, they can also choose to open a Treasury account).

The tasks of improving cinema access in small cities and expanding the country's network of cinemas to 5,000 screens by 2030, as well as increasing the share of domestic productions to 25% of all films distributed in Russia by 2018 and to 30% by 2030, were defined in the **2030 Strategy for the Cultural Policy of Russia,** approved by Government Decree No. 326-r dated 29 February 2016 and signed by the Prime Minister in March 2016. The benchmarks were set in two stages: 2016–2020 and 2021–2030. The first stage relies on the public–private partnership structure, which will be used to expand cinema coverage in small cities and help increase the share of Russian films in domestic distribution.

The new strategy also aims to strengthen and expand Russia's cultural influence abroad by "advancing the global image of Russia as a nation with extremely rich traditions and a dynamic modern culture through initiatives which include promotion of Russian films, television series (both live-action and animated), literature, and music abroad." To safeguard the country's cultural heritage and create an atmosphere that promotes cultural development, the new strategy proposes to "support the animation sector as one of the fastest-growing sectors of the film industry through measures that would create an industrial animation core consisting of the country's major animation studios, promote the culture of auteur films in the animation sector, expand and secure animation distribution channels, step up cooperation with related industries (education, culture, sport), and develop the industry's technological foundations."

1.2. Proposed legislation

In February 2016, the Government Council on the Development of the Russian Film Industry met to discuss the objectives set out in the Strategy for the Cultural Policy of Russia in terms of providing support to the country's animation sector. The meeting was attended by officials from the Russian Animated Film Association (which represents more than 40 major Russian animation studios), who proposed a set of **tax incentives for Russian animators** similar to those offered to IT companies. The Prime Minister expressed support for the idea of tax incentives and promised to instruct the government to begin work on the initiative. However, no specific steps or decisions in this regard have been taken so far.

At the same meeting, Minister of Culture Vladimir Medinsky proposed that a special tax be levied on television commercials and used to support Russian filmmakers. The very next day, however, the Ministry of Telecom and Mass Communications voiced its opposition to this initiative, with Deputy Minister Alexey Volin calling it a "pointless measure that will bring no benefits, since the networks will deduct the amount of the tax from their payments to filmmakers whose productions they broadcast."[4] But the Ministry of Culture refused to capitulate: in May, the proposal to implement a **tax in support of the Russian film industry** was submitted to President Putin for approval. The draft calls for a tax on cinemas (3% of revenue), as well as television networks and online streaming services (0.5% of revenue). The Ministry of Culture estimated that this measure could generate an additional RUB 3–4 billion to support the Russian film industry.

[4] The Ministry of Communications opposes the idea of levying tax on television channels to support Russian cinema / 18.02.2016 / gazeta.ru.

The revenue would go to the Cinema Fund. The idea met with resistance from all those who would be liable to pay the tax: cinema chains, television networks, and the Internet Video Association. They were even joined by Russian producers concerned with the fate of the still-developing private cinema sector. In the end, the proposal to collect a tax from exhibitors for use in support of the domestic film industry was again rejected by the government. Meanwhile, similar tax initiatives are in place in many European countries (for example, Austria, Belgium, Croatia, the Czech Republic, France, Germany, Greece, Ireland, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Switzerland, and the UK), directly replenishing the budgets of film support funds and either completely replacing or augmenting government subsidies.[5]

In late 2015, the Ministry of Culture expanded its agenda to include, for the first time, such film industry support measures as **fiscal incentives and film commissions** designed to encourage producers of domestic films and co-productions to bring their film crews to the Russian provinces. Several regions were put forward for this programme, and their governments were tasked with developing specific measures. The idea of film commissions is not new to Russia, but it had previously been proposed in Vladivostok, St. Petersburg, and Perm by private companies, which did not have the funds or the local government support to fully get it off the ground.

Fiscal incentives, on the other hand, had never been discussed in Russia before. The idea was first proposed in early 2016 by Executive Director of the Cinema Fund Anton Malyshev; and in August 2016, the Association of Film and Television Producers and the Agency for Strategic Initiatives submitted their own draft. The new version calls for the government to designate several Russian provinces as “film regions” that offer a system of tax credits for film production funds spent locally. Vladivostok (Primorsky Territory) was chosen as the pilot location for this programme. The initiative may go into effect as early as 2017, although the tools for its implementation have yet to be designed by the Ministry of Culture in cooperation with the Ministry of Finance and the Ministry of Economic Development.

[5] For more information, see Jonathan Olsberg, Andrew Barnes, OLSBERG SPI. I*mpact analysis of fiscal incentive schemes supporting film and audiovisual production in Europe.* European Audiovisual Observatory, Strasbourg, December 2014.

2. QUANTITATIVE RESEARCH

2.1. Film production in Russia

2.1.1. Volume of film production in Russia and research methodology

In recent years, Russian film production volumes have increased. While a grand total of 89 domestic films were released in 2011, by 2015 that number had increased by 50% (see Table 1). This has primarily been thanks to government policy and the activities of the Cinema Fund, which since 2010 has been allocating funds for film production in the form of both repayable loans and outright grants.

According to Movie Research data, the average budgets of films released for distribution remained virtually unchanged over the period under review, at RUB 110 million, with only a slight drop in 2012 (when they fell below RUB 100 million) and an increase in 2015 (above RUB 125 million). Moreover, taking inflation and exchange rate fluctuations in Russia into account, it is possible to conclude that film production in the country has become cheaper, although domestic producers have been forced to optimise their budgets due to the economic crisis which began in 2014.

However, analysing film production volumes in Russia remains very difficult. For example, in our 2014 study *The Film Industry in the Russian Federation,* our calculations for the number of films produced were based on the National Film Registry of distribution licences issued by the Russian Ministry of Culture, which also includes television films and films intended for straight-to-video release or video-on-demand services. This report will analyse only the films that were released in Russia in the period from 2011 to 2015, and thus the years in which films were actually produced are not included in the tables in this section. Moreover, it remains difficult to obtain accurate data about the budgets of Russian films: often, these details are subject to commercial confidentiality, and in open source publications may be indicated in a foreign currency which cannot be translated into roubles due to a lack of information regarding what portion of the budget was

Table 1. Domestic releases of Russian films

Source: Film Business Today Magazine, Booker's Bulletin, comScore, Nevafilm *Research* (number of films), Movie Research (average budgets)

Year	Total	Including feature films with a wide release	Animated films	Documentaries	Regional feature films	Average budget of films released for distribution (RUB million)
2011	**89**	61	4	1	23	110.8
2012	**89**	65	3	1	20	98.4
2013	**98**	61	4	5	28	115.5
2014	**119**	83	4	4	28	108.3
2015	**134**	91	9	9	25	126.2

Note: When calculating the number of animated releases, five instalments of the *Kinodetstvo (Children's Cinema)* short films in 2014 and 11 in 2015 are counted as one project; as are the 21 instalments of *MULT v kino (Cartoons at the Cinema)* in 2015.

spent in a particular year. For this reason, it is impossible to calculate average budgets in euros or dollars in order to demonstrate the evident decline due to changes in the rouble exchange rate in 2014–2015.[6]

Most state support funding is allocated by the Cinema Fund to projects run by Russia's leading film production companies, based on a list approved annually (see Table 2). Leaders are chosen on the basis of certain criteria, which include attendance, the artistic value of their films, past performance, and number of films released to date. These are the companies which have made the greatest contribution to the Russian film industry in terms of both number of films and amount of investment. Each year, the Cinema Fund releases a list of leaders, which includes from seven to 13 companies slated to receive financing set aside under a separate line item. To obtain the financing, these leaders must still enter open bidding along with other producers, but the Fund considers their proposals first, before those submitted by other companies.

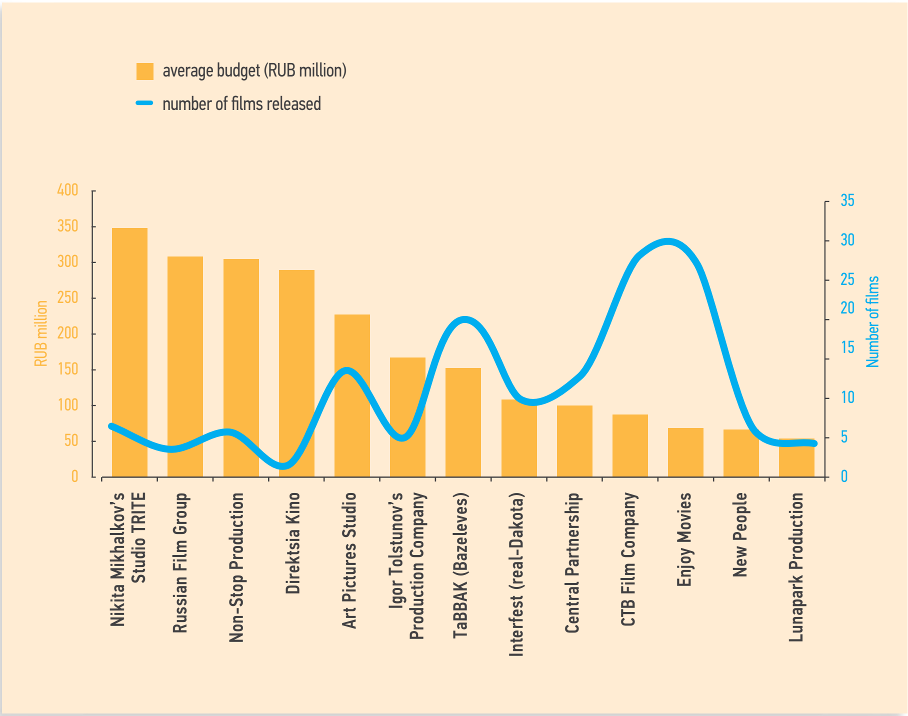
Aside from these leading companies, production studios which have released at least three feature films for theatrical distribution between 2011 and 2015, as well as the major

[6] Thus, based on the Russian Central Bank exchange rate, one euro was worth RUB 45.0559 as of 1 January 2014, RUB 68.3681 on 1 January 2015, and RUB 79.6395 on 1 January 2016.

Table 2. Domestic film industry leaders by year
Source: Cinema Fund

Leading companies	2011	2012	2013	2014	2015–2016
Art Pictures Studio	x	x	x	x	x
Direktsiya Kino	x	x	x	x	x
CTB Film Company	x	x	x	x	x
Strela Film Company			x		
Koktebel Film Company		x			
Non-Stop Production		x	x	x	x
Igor Tolstunov's Production Company	x		x	x	
Interfest (Real-Dakota)		x	x		
Rekun Cinema			x		
Nikita Mikhalkov's Studio TRITE	x	x	x	x	x
TABBAK (Bazelevs)	x	x	x	x	x
Rock Films		x	x		
Central Partnership	x	x	x	x	x
Enjoy Movies			x	x	x
Total number of companies	**7**	**10**	**13**	**9**	**8**

Figure 1. Average budgets for feature films released from 2011 to 2015
Source: Movie Research



producers of full-length documentaries and animated films, were also included in the list of the major Russian film producers (see Table 3).[7]

Based on the number of films released and their average budgets[8], it may be noted that, despite the relatively small amount of money they spend on production, CTB, Enjoy Movies, and Bazelevs produce significantly more films than the other studios. Studio TRITE and Direktsiya Kino produce a small number of films at a relatively high cost. The Russian Film Group and Non-Stop Production, meanwhile, focus time and money on creating one specific film.

[7] The list of companies and their film releases was compiled using data from the analytical anthology *KinoStatistika,* which is published each year by Movie Research. Publically available resources were used to compile the anthology, with information from those resources verified through queries to the production companies.

[8] It is not possible to compare all film industry investments for each of the companies selected because budget data is not available for all films. This is why an average budget per film is used for each company (based on available data). If several studios collaborate on a film, its budget counts towards each film company.

Table 3. Key Russian film producers and their 2011–2015 film releases

Source: Movie Research

Producers	City	Number of films released				
		2011	2012	2013	2014	2015
CTB Film Company	St. Petersburg	7	6	6	4	7
Enjoy Movies	Moscow	1	6	3	6	9
TABBAK (Bazelevs)	Moscow	3	4	3	3	7
Art Pictures Studio	Moscow	1	1	2	2	6
Central Partnership	Moscow	5	2	2	2	1
Interfest (Real-Dakota)	Moscow	1	2	2	1	4
New People	Moscow	1	1	1	2	1
Non-Stop Production	Moscow	2		2	1	1
Nikita Mikhalkov's Studio TRITE	Moscow	1	2	1	2	1
Igor Tolstunov's Production Company	Moscow	2		1	2	
Lunapark Production	Moscow			1	3	
Russian Film Group	Moscow	1			1	1
Direktsiya Kino	Moscow	1		1		
Melnitsa Animation Studio	St. Petersburg	1	1	1		1
Wizart Animation	Moscow		1	1		1
Riki Group	St. Petersburg	1				
KinoAtis	Moscow				1	1
Gorky Film Studio	Moscow			2		3
St. Petersburg Documentary Film Studio	St. Petersburg	2		4	2	2
Marina Razbezhkina Studio	Moscow		1	1	4	3

Note: For documentaries made by the Gorky Film Studio, St. Petersburg Documentary Film Studio, and Marina Razbezhkina Studio, these are films which received distribution licences.

2.1.2. Major production companies in Russia

CTB Film Company
Website: http://ctb.ru/en
Year founded: 1992
General Producer: Sergei Selyanov
Number of films released from 2011 to 2015: 30, of which eight were animated films and eight were co-productions, including Eurimages support for *I Won't Come Back* (also known in English as *I'm Not Coming Back*)

Film production is the company's main activity. It actively collaborates with Melnitsa Animation to release features in the *Three Bogatyrs* and *Ivan Tsarevich* animated series. These franchises are the most successful modern Russian animated films to be shown in cinemas. CTB makes films on various topics in various genres. So far, the company has produced commercial films (comedies, crime dramas, and animations) and arthouse films including Aleksei Balabanov's *Me Too* and Irina Volkova's *Dialogues*) as well as documentaries like Lyubov Arkus's *Anton's Right Here*. CTB films have taken part in Russian and international film festivals.

Today, CTB is one of the best-known production companies in Russia. It is consistently included in the Cinema Fund's annual list of industry leaders. CTB actively participates in co-productions. Nashe Kino is the official distributor of CTB films in Russia.

Table 4. CTB films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production[9]	Budget[10]	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands[11]
2011	Supermenedzher, ili Motyga sudby [Supermanager, or the Hoe of Fate]	Bogdan Drobyazko	Russia	low	63.0	
2011	Ivan Tsarevich i Seryy Volk [Ivan Tsarevich & the Grey Wolf]	Vladimir Toropchin	Russia	low	3788.7	368.8
2011	Dom [The House]	Oleg Pogodin	Russia	mid-range	22.1	0.1
2011	Samka [The Female]	Grigori Konstantinopolsky	Russia	low	2.7	
2011	Bablo [Cash]	Konstantin Buslov	Russia	low	352.0	
2011	Okhotnik [The Hunter]	Bakur Bakuradze	Russia	low	1.7	1.9
2011	Baikonur	Veit Helmer	Germany, Russia, Kazakhstan	n/a		15.8
2012	Ausgerechnet Sibirien [Lost in Siberia]	Ralf Huettner	Germany, Russia	n/a		238.7
2012	Dzhungli [The Jungle]	Aleksandr Voitinsky	Russia	mid-range	1414.8	284.5
2012	Ya tozhe khochu [Me Too]	Aleksei Balabanov	Russia	low	31.5	
2012	Tri bogatyrya na dalnikh beregakh [Three Heroes on Distant Shores]	Konstantin Feoktistov	Russia	low	4104.0	531.8

Table 4 continued

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2012	Anton tut ryadom [Anton's Right Here]	Lyubov Arkus	Russia	low	4.0	
2012	Kokoko	Avdotya Smirnova	Russia	low	63.9	1.7
2013	Vuosaari [Naked Harbour]	Aku Louhimies	Finland, Austria, Russia	low	1.1	106.8
2013	Ivan Tsarevich i Seryy Volk 2 [Ivan Tsarevich & the Grey Wolf 2]	Vladimir Toropchin	Russia	mid-range	2820.0	322.1
2013	Okolofutbola [Kicking Off]	Anton Bormatov	Russia	low	455.0	56.0
2013	Ku! Kin-dza-dza	Tatiana Ilina, Georgiy Daneliya	Russia	mid-range	116.2	5.8
2013	Marussia	Eva Pervolovici	Russia, France	n/a		3.6
2013	Kak poymat pero Zhar-Ptitsy [How to Catch the Firebird's Feather]	Vyacheslav Plotnikov, Georgiy Gitis	Russia	low	426.6	63.0
2014	Zipi y Zape y el club de la canica [Zip & Zap and the Marble Gang]	Oskar Santos Gómez	Spain, Russia	n/a	26.5	
2014	Dialogi [Dialogues]	Irina Volkova	Russia	n/a	1.4	
2014	Wrong Cops	Quentin Dupieux	USA, Russia, France	low	1.1	63.7
2014	Ya ne vernus [I Won't Come Back / I'm Not Coming Back]	Ilmar Raag	Russia, Estonia, Finland, Belarus	low	2.5	16.6
2015	Tri bogatyrya: khod konem [Three Bogatyrs. Knight's Move]	Konstantin Feoktistov	Russia	mid-range	3965.4	376.9
2015	El Cinco [The Midfielder]	Adrián Biniez	Argentina, Uruguay, Russia, Germany, France, Netherlands	n/a	0.0	19.1
2015	Krepost: schitom i mechom [The Fortress: By Shield and Sword]	Fedor Dmitriev	Russia	mid-range	407.0	
2015	Pionery-geroi [Pioneer Heroes]	Natalya Kudryashova	Russia	low	4.4	
2015	Rodina [Motherland]	Peter Buslov	Russia	high	180.6	
2015	Paren s nashego kladbischa [The Guy from Our Cemetery]	Ilya Chizhikov and Anton Chizhikov	Russia	low	74.5	
2015	Prizrak [Ghost]	Aleksandr Voitinsky	Russia	mid-range	1686.0	

Note: CTB's films *Baikonur* (2011), *Lost in Siberia* (2012), and *Brother Deyan* (2015) were not released in Russian cinemas.

[9] From this point on in this chapter, the countries of production of the films are stated as per the distribution certificates issued by the Russian Ministry of Culture.

[10] Since the budget figures for specific films as supplied by production companies for analysis often cannot be disclosed, from this point on, three categories will be used to present this information in tables: low budget (under RUB 100 million), mid-range budget (between RUB 100 million and RUB 200 million), and high budget (more than RUB 200 million).

[11] From this point onwards, the figures for foreign attendance refer to films produced between 2011 and 2014 and distributed in European countries (including Ukraine) and in some non-European territories between 2011 and 2015, as well as those distributed in China between 2014 and 2015. For more information, see Section 2.3. The export of Russian films.

Enjoy Movies
Website: http://enjoy-movies.ru (Russian only)
Year founded: 2010
Producers and founders: Georgiy Malkov, Sarik Andreasyan, and Gevond Andreasyan
Number of films released from 2011 to 2015: 25, including two co-productions

The Russian film company Enjoy Movies specialises in making films for wider audiences. It mainly produces comedies. In 2012, the company added drama to its repertoire with Pavel Ruminov's *I'll Be Around*, which was included in the main competition programme at the 23rd Kinotavr Open Russian Film Festival in Sochi and won the Grand Prix.

In April 2013 Enjoy Movies, partnering with Renovatio Entertainment and Karoprokat and Hollywood producers Hayden and Tove Christensen, launched Glacier Films. The new company's first ventures are crime drama *American Heist* and zombie horror *Cooties*.

Enjoy Movies has been included in the Cinema Fund's list of leading companies every year since 2013. Central Partnership usually handles its domestic distribution.

In autumn 2014, two production centres were created within Enjoy Movies. One is headed by producer and director Georgiy Malkov and the other became a platform for the creative projects of brothers Sarik and Gevond Andreasyan.

Table 5. Enjoy Movies films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Beremenniy [Pregnant]	Sarik Andreasyan	Russia	low	1180.0	222.7
2012	Nyanki [Nannies]	Ararat Keschyan	Russia	low	847.2	
2012	Mamy [Moms]	Sarik Andreasyan, Karen Oganesyan, Ararat Keschyan, Tikhon Kornev, Eldar Salavatov, Dmitriy Dyuzhev, Evgeniy Abyzov, Alan Badoev	Russia	low	1123.9	5.7
2012	Tot eshchyo Karloson! [Here's Carlson!]	Sarik Andreasyan	Russia	mid-range	1700.0	
2012	Muzhchina s garantiey [A Man with a Warranty]	Artyom Aksenenko	Russia	low	659.3	115.0
2012	Ya budu ryadom [I'll Be Around]	Pavel Ruminov	Russia	low	4.8	
2012	S Novym godom, mamy! [Happy New Year, Mommies!]	Sarik Andreasyan, Artyom Aksenenko, Dmitriy Grachev, Klim Poplavskiy, Anton Bormatov	Russia	low	1584.1	173.0

Table 5 continued

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2013	Dublyor [The Double]	Evgeniy Abyzov	Russia	low	931.0	146.4
2013	Ostrov vezeniya [Lucky Island]	Kirill Kozlov	Russia	low	681.6	5.5
2013	Chto tvoryat muzhchiny [What the Men Are Up To]	Sarik Andreasyan	Russia	low	1394.0	247.8
2014	Druzya druzey [Friends of Friends]	Artyom Aksenenko	Russia	low	1156.1	13.0
2014	Chempiony [Champions]	Artyom Aksenenko, Emil Nikogosyan, Dmitriy Dyuzhev, Aleksey Vakulov (Alexei Kulbitsky)	Russia	low	877.1	13.1
2014	Legok na pomine [Speak of the Devil]	Evgeniy Abyzov	Russia	low	916.2	15.2
2014	Korporativ [Corporate]	Oleg Asadulin	Russia	low	919.3	16.0
2014	Smeshannye chuvstva [Mixed Feelings]	Georgiy Malkov	Russia	low	446.4	7.8
2014	Mamy 3 [Mamas 3]	Georgiy Malkov, Emil Nikogosyan	Russia	low	558.2	8.8
2015	Chto tvoryat muzhchiny 2 [What the Men Are Up To 2]	Sarik Andreasyan	Russia	low	675.9	
2015	American Heist	Sarik Andreasyan	Russia, USA, Canada, Luxembourg	high	610.9	37.7
2015	Krovavaya ledi Batori [Lady of Csejte / Blood Countess]	Emil Nikogosyan (aka Andrey Konst)	Russia	low	256.5	
2015	Zhenshchiny protiv muzhchin [Women vs Men]	Tahir Mamedov, Sarik Andreasyan	Russia	low	662.0	
2015	Cooties	Cary Murnion, Jonathan Milott	USA, Russia	n/a	72.1	11.2
2015	Prilichnye lyudi [Decent People]	Klim Poplavskiy	Russia	low	347.7	
2015	Neulovimye [Elusive]	Artyom Aksenenko	Russia	low	159.0	
2015	Neulovimye: posledniy geroy [Elusive: The Last Hero]	Artyom Aksenenko	Russia	n/a	57.7	
2015	Pikovaya dama: Cherniy obryad [Queen of Spades: The Dark Rite]	Svyatoslav Podgayevskiy	Russia	low	635.6	

TABBAK (Bazelevs)
Website: http://bazelevs.com
Year founded: 1994
General Producer: Timur Bekmambetov
Number of films released from 2011 to 2015: 20, of which three were animated films and three were co-productions

The *Six Degrees of Celebration* franchise, the first instalment of which came out in 2010, is Bazelevs's landmark creation. To date, the franchise includes four parts, as well as a spin-off of the film *Six Degrees of Celebration 3* (the highest grossing of the franchise) called *Paws, Bones & Rock'n'roll;* the company has also announced filming of *Six Degrees of Celebration 5*. The films are released during the winter holiday season. In partnership with Lunapark Production, Bazelevs released the comedy *Kiss Them All!* and its sequel, *Kiss Them All! 2*.

In 2011, Bazelevs took part in the production of Hollywood film *Abraham Lincoln: Vampire Hunter*. The film was directed by the studio's founder, Timur Bekmambetov, who was awarded the International Filmmaker of the Year Award for the film at the annual American cinema exhibition CinemaCon in 2012.

In addition to live-action features, Bazelevs also co-produces animated films with Wizart Animation. So far they have produced two *Snow Queen* films, released in 2012 and 2015.

The studio is listed by the Cinema Fund as a leader every year. In 2010, Bazelevs Distribution was created to distribute films produced by Bazelevs across Russia and the CIS. Bazelevs successfully combines film production and advertising activities.

Table 6. TABBAK films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Yolki 2 [Six Degrees of Celebration 2]	Dmitriy Kiselev, Aleksandr Kott, Aleksandr Baranov, Levan Gabriadze	Russia	mid-range	4140.8	576.9
2011	Vykrutasy [Lucky Trouble]	Levan Gabriadze	Russia	high	1950.0	375.9
2011	The Darkest Hour	Chris Gorak	USA, Russia	n/a	934.2	5473.5
2012	Kamen [The Stone]	Vyacheslav Kaminsky	Russia	low	663.4	46.9
2012	Dzhentlmeny, udachi! [Gentlemen of Fortune]	Dmitriy Kiselev, Aleksandr Baranov	Russia	mid-range	1374.8	173.5
2012	Snezhnaya koroleva [The Snow Queen]	Vladlen Barbe, Maxim Sveshnikov	Russia	high	1123.5	1208.6
2012	Abraham Lincoln: Vampire Hunter	Timur Bekmambetov	USA, Russia	n/a	1700.0	

Table 6 continued

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2013	Irga v pravdu [Game of Truth]	Viktor Shamirov	Russia	low	143.0	38.7
2013	Yolki 3 [Six Degrees of Celebration 3]	Dmitriy Kiselev, Ekaterina Telegina, Aleksandr Kott, Aleksandr Karpilovskiy, Anton Megerdichev, Levan Gabriadze	Russia	mid-range	5583.7	534.3
2013	Gorko! [Kiss Them All!]	Zhora Kryzhovnikov	Russia	low	3708.4	513.6
2014	Yolki 1914 [Six Degrees of Celebration 1914]	Timur Bekmambetov, Olga Kharina, Yuriy Bykov, Dmitriy Kiselev, Aleksandr Kott, Aleksandr Karpilovskiy, Ekaterina Telegina, Andrei Kavun	Russia	high	2866.5	156.9
2014	Den Duraka [All Fools' Day]	Aleksandr Baranov	Russia	low	388.2	10.4
2014	Gorko! 2 [Kiss Them All! 2]	Zhora Kryzhovnikov	Russia	low	2369.2	194.4
2015	Yolki lokhmatye [Paws, Bones & Rock'n'roll]	Maxim Sveshnikov	Russia	low	652.3	
2015	Unfriended / Cybernatural	Leo Gabriadze	USA, Russia, Poland, Germany, Puerto Rico	low	462.9	7010.2
2015	Samyy Luchshiy Den [The Very Best Day]	Zhora Kryzhovnikov	Russia	low	888.1	
2015	On – drakon [He's a Dragon]	Indar Dzhendubaev	Russia	high	504.0	
2015	Dabl Trabl [Double Trouble]	Eduard Oganesyan	Russia	low	111.2	
2015	Alisa znaet, chto delat! Zelyonaya mest [Alice Knows What To Do! Green Revenge]	Igor Kovalev	Russia	n/a		
2015	Snezhnaya koroleva 2: Perezamorozka [The Snow Queen 2: The Snow King]	Aleksey Tsitsilin	Russia	high	1289.8	1573.9

Note: according to the National Film Registry, the country of origin for *The Darkest Hour* and *Abraham Lincoln: Vampire Hunter* is the USA only. However, the films are referenced on the production company's official website.

Art Pictures Studio
Website: http://www.art-pictures.ru/en
Year founded: 1992
Senior producers:
Fedor Bondarchuk and Dmitriy Rudovskiy
Number of films released from 2011 to 2015: 12, of which one was an animated film

The main activities of the company are producing and promoting motion pictures. Art Pictures Studio collaborated with Non-Stop Production in 2013 to release Fedor Bondarchuk's military drama *Stalingrad,* the highest grossing film in the modern history of the Russian industry. Art Pictures Studio has produced other military films. In 2015, *Battalion* was released, a film created in partnership with production company Corner Work. The company's *Soulless* franchise has enjoyed great popularity among Russian audiences. In addition to the production of live-action films, Art Pictures Studio is also involved in making animated films. In 2015, the company released the animated film *A Warrior's Tail* (also known in English as *Savva: Heart of the Warrior* or *Hero Quest*), made in partnership with Maxim Fadeyev's Glukoza Production. Art Pictures Studio is planning to release additional animation projects in the near future.

The company is consistently included in the Cinema Fund's list of leaders each year. In 2009, Art Pictures Media was founded as a film and television distributor for Art Pictures Studio's films as well as for films from independent Western studios.

Table 7. Art Pictures Studio films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Dva Dnya [Two Days]	Avdotya Smirnova	Russia	low	75.4	6.7
2012	Dukhless [Soulless]	Roman Prygunov	Russia	low	1858.9	200.9
2013	Odnoklassniki.ru: naCLICKay udachu [Odnoklassniki.ru – One Click Away From Luck]	Pavel Khudyakov	Russia	low	578.6	109.6
2013	Stalingrad	Fedor Bondarchuk	Russia	high	6204.2	803.0
2014, 2015	Da i Da [Yes & Yes]	Valeriya Guy Germanika	Russia	low	15.3	
2014	Vychislitel [Calculator]	Dmitry Grachev	Russia	low	195.3	
2015	Batalon [Battalion]	Dmitriy Meskhiev	Russia	mid-range	2070.7	
2015	Dukhless 2 [Soulless 2]	Roman Prygunov	Russia	mid-range	1819.7	
2015	Voin [The Warrior]	Aleksey Andrianov	Russia	high	895.5	
2015	Savva. Serdtse voina [The Warrior's Tail]	Maxim Fadeyev	Russia	low	896.2	
2015	Barmen	Dina Shturmanova	Russia	low	317.4	
2015	Srochno vyydu zamuzh [Must Get Married ASAP]	Sergey Chekalov	Russia	low	7.1	

Note: according to the National Registry of Films, *Run Away, Catch, Fall In Love* was produced in 2013, but it has not yet been released in cinemas.

Central Partnership
Website: http://www.centpart.ru/en
Year founded: 1996
General producers: Dzhanik Fayziev
Number of films released from 2011 to 2015: 12

Central Partnership is mainly a film distribution company. At first, it focused solely on television distribution. Gradually, the company branched out into other media: film, video, and DVD distribution.

Since 2009, Central Partnership has operated as the exclusive distributor of Paramount Pictures in Russia as well of the largest independent studio, Summit Entertainment, since 2012. The company also produces feature films, successfully cooperating with Russian studios such as Lunapark Production and Slovo. The company is consistently included in the Cinema Fund's list of leaders each year.

Table 8. Central Partnership films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Dva Dnya [Two Days]	Avdotya Smirnova	Russia	low	75.4	6.7
2011	Boy s tenyu 3: posledniy raund [Shadow Boxing 3: The Final Round]	Aleksey Sidorov	Russia	mid-range	1857.1	156.5
2011	Pyat nevest [Five Brides]	Karen Oganesyan	Russia	low	359.5	35.2
2011	Svadba po obmenu [Brides in Exchange]	Dmitry Grachev	Russia	low	399.0	23.0
2011	Dom [The House]	Oleg Pogodin	Russia	mid-range	22.1	0.1
2012	Nebesnyy sud [Sky Court]	Alyona Zvantsova	Russia	low	0.5	
2012	1812: Ulanskaya ballada [1812: Lancers Ballad / 1812. Ballad of the Uhlans]	Oleg Fesenko	Russia	mid-range	185.8	
2013	Marafon [Marathon]	Karen Oganesyan	Russia	low	15.0	
2013	Temniy mir: ravnovesie [Dark World: Equilibrium]	Oleg Asadulin	Russia	mid-range	344.8	17.0
2014	22 minuty [22 Minutes]	Vasily Serikov	Russia	high	119.3	
2014	Vypusknoy [Graduation]	Vsevolod Brodskiy	Russia	low	793.4	33.5
2015	Goroskop na udachu [Good Luck Horoscope]	Arman Gevorgyan	Russia	mid-range	236.2	

Interfest (Real-Dakota)
Website: http://www.interfest.ru
Year founded: 1975
General producers: Renat Davletyarovy
Number of films released from 2011 to 2015: 10, including four co-productions (see Table 20)

Real-Dakota is mainly engaged in film production. General producer Renat Davletyarov often directs films produced by the company. The company makes motion pictures in various genres, including comedies, dramas, and thrillers. In 2015, the company added films with a military theme to this list with *The Dawns Here Are Quiet*. Real-Dakota was included in the Cinema Fund's leaders list in 2012 and 2013.

Recently, domestic distribution of Real-Dakota's films has been carried out by Nashe Kino.

Table 9. Real-Dakota films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Lyubov-morkov 3 [Lovey-Dovey 3]	Sergey Ginzburg	Russia	mid-range	1328.0	218.7
2012	Moya bezumnaya semya [We Are Family]	Renat Davletyarov	Russia	mid-range	441.0	51.1
2012	Stalnaya babochka [Steel Butterfly]	Renat Davletyarov, Roman Prygunov	Russia	low	178.9	
2013	Parallelnye miry [Parallel Worlds]	Ermek Amanshaev, Georgiy Shengeliya	Russia, Kazakhstan	low	0.0	
2013	Razgovor [The Conversation]	Victor Ivanov, Sergey Komarov	Russia	n/a	7.4	
2014	Begletsy [Fugitives]	Rustam Mosafir	Russia	low	8.8	
2015	Nevidimki [The Invisibles]	Renat Davletyarov, Sergey Komarov	Russia	mid-range	101.5	4.0
2015	Odnazhdy [Once]	Renat Davletyarov	Russia	mid-range	62.5	
2015	A zori zdes tikhie… [The Dawns Here Are Quiet]	Renat Davletyarov	Russia	high	1169.3	
2015	Zelenaya Kareta [The Green Carriage]	Sergey Komarov, Oleg Asadulin	Russia	low	10.7	

New People
Website: none
General producers: Natalya Mokritskaya
Number of films released from 2011 to 2015: six, including one co-production

New People mainly produces low-budget, festival-focused films. However, in 2015 the company achieved commercial success with its military drama *Battle for Sevastopol*, which was filmed in collaboration with the Kinodel studio. The film was seen by around two million people in Russia alone, and a further 300,000 in Ukraine, according to *Film Business Today Magazine* (data for other territories has not yet been published).

Table 10. New People films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Moy papa Baryshnikov [My Dad is Baryshnikov]	Dmitriy Povolotsky, Mark Drugoi	Russia	low	14.0	
2012	Den uchitelya [Protest Day]	Sergey Mokritskiy	Russia	n/a		
2013	Strana khoroshikh detochek [Land of Good Kids]	Olga Kaptur	Russia	mid-range	18.2	
2014	Klass korektsii [Corrections Class]	Ivan Tverdovsky	Russia	low	28.9	2.7
2014	Kino pro Alekseeva [A Film About Alekseyev]	Mikhail Segal	Russia	low	9.6	
2015	Bitva za Sevastopol [Battle for Sevastopol]	Sergey Mokritskiy	Russia, Ukraine	mid-range	1950.6	

Non-Stop Production
Website: http://www.nonstopkino.ru/en
Year founded: 2005
Senior producers: Alexander Rodnyansky and Sergey Melkumov
Number of films released from 2011 to 2015: six, including one co-production

Non-Stop Production is a leading domestic film production company, and the Cinema Fund has supported its projects since 2012 as a matter of priority. The studio produces both auteur, festival films like Andrey Zvyagintsev's *Elena* and *Leviathan* (some of the most popular Russian films in distribution abroad) and popular genre films like Konstantin Buslov's *The Adventurers*. In 2013, Non-Stop Productions partnered with Art Pictures Studio to produce Fedor Bondarchuk's military drama *Stalingrad*, the highest grossing film in the modern history of the Russian industry.

Table 11. Non-Stop Production films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	V subbotu [Innocent Saturday]	Aleksandr Mindadze	Russia, Ukraine, Germany	low	16.2	0.1
2011	Elena	Andrey Zvyagintsev	Russia	low	100.3	304.0
2013	Devil's Pass / The Dyatlov Pass Incident	Renny Harlin	Russia	mid-range	717.4	41.7
2013	Stalingrad	Fedor Bondarchuk	Russia	high	6204.2	803.0
2014	Avantyuristy [The Adventurers]	Konstantin Buslov	Russia	mid-range	236.8	32.4
2015	Leviafan [Leviathan]	Andrey Zvyagintsev	Russia	high	349.6	748.2

Nikita Mikhalkov's Studio TRITE
Website: http://trite.ru/ (Russian only)
Year founded: 1987
General producers:
Nikita Mikhalkov,
Leonid Vereshchagin
Number of films released from 2011 to 2015: seven

Studio TRITE is consistently included in the Cinema Fund's list of leading companies each year. In the period under consideration, the studio's most standout film was Nikolay Lebedev's sport drama *Legend No. 17*. It is currently one of the top-grossing domestic films. In 2014, Studio TRITE collaborated with the studio Krasnaya Strela to produce another sport film, *Iron Ivan*.

Table 12. Studio TRITE films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Utomlennye solntsem 2 [Burnt by the Sun 2: Citadel]	Nikita Mikhalkov	Russia	high	206.2	22.0
2012	Shpion [The Spy]	Aleksey Andrianov	Russia	mid-range	600.0	67.3
2012	Dom na obochine [The Roadside House]	Anton Sivers	Russia	low	3.7	
2013	Legenda No. 17 [Legend No. 17]	Nikolay Lebedev	Russia	high	4200.0	
2014	Solnechniy udar [Sunstroke]	Nikita Mikhalkov	Russia	high	311.5	2.1
2014	Poddubny [Iron Ivan]	Gleb Orlov	Russia	high	1008.0	
2015	Dusha shpiona [The Soul of a Spy]	Vladimir Bortko	Russia	high	4.9	

Igor Tolstunov's Production Company
Website: http://www.profitkino.ru/en
Year founded: 1995
General producer: Igor Tolstunov
Number of films released from 2011 to 2015: five

Igor Tolstunov's Production Company is one of the leading Russian companies producing feature films and TV series. The company was included on the Cinema Fund's list of leaders in 2011, 2013, and 2014. The company's best-known project is the disaster film *Metro,* which is one of the most popular Russian films in distribution abroad. The company's films have been featured in various film festivals, and Nigina Sayfullaeva's *Name Me* won the Grand Prix at the Sputnik over Poland film festival in 2014.

Lunapark Production
Website: none
General producer: Nataliya Grebenyuk
Number of films released from 2011 to 2015: four

Lunapark Production is an independent production company that actively collaborates with top Russian production companies such as Bazelevs (TABBAK). The comedy film *Kiss Them All!* was one such collaboration, completed in 2013 and earning RUB 800 million in domestic box office returns. In 2014, Lunapark multiplied the success of that title by adding three new films, the highest grossing of which was *Kiss Them All! 2*.

Table 13. Igor Tolstunov's Production Company films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Na kryuchke! (Hooked!)	Natalya Uglitskikh	Russia	mid-range	346.0	
2011	Reider [Raider]	Vsevolod Aravin	Russia	low	38.3	
2013	Metro	Anton Megerdichev	Russia	high	1593.4	712.3
2014	Kak menya zovut [Name Me]	Nigina Sayfullaeva	Russia	low	11.7	
2014	Ispytanie [Test]	Aleksandr Kott	Russia	high	2.0	15.8

Table 14. Lunapark Production films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2013	Gorko! [Kiss Them All!]	Zhora Kryzhovnikov	Russia	low	3708.4	513.6
2014	Gorko! 2 [Kiss Them All! 2]	Zhora Kryzhovnikov	Russia	low	2369.2	194.4
2014	Vypusknoy [Graduation]	Vsevolod Brodskiy	Russia	low	793.4	33.5
2014	Vsyo i srazu [All At Once]	Roman Karimov	Russia	low	577.6	

Russian Film Group
Website: http://russianfilmgroup.com
Year founded: 2000
General producer: Aleksey Petrukhin
Number of films released from 2011 to 2015: three

Today, Russian Film Group is one of the most dynamic players in the industry. The company's best-known film is Oleg Stepchenko's fantasy thriller *Forbidden Empire*, currently one of the top-grossing domestic films. Russian Film Group plans to release a sequel to *Forbidden Empire* in 2017 called *Journey to China*, which will be the first official co-production between Russia and China.

Direktsiya Kino
Website: none
Year founded: 2006
General producer: Anatoly Maksimov
Number of films released from 2011 to 2015: two

Since its founding, Direktsiya Kino has produced television and full-length feature films. The company is consistently included in the Cinema Fund's list of leaders each year. Its most successful film was 2011's *Vysotsky: Thank God I'm Alive*. It is among the ten highest grossing Russian films of the last decade. The company is currently entirely focused on the creation of the historical saga *The Viking*, which has a very impressive budget for a Russian production. It is scheduled to be released at the end of 2016.

Table 15. Russian Film Group films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Byt ili ne byt [To Be or Not To Be]	Aleksey Petrukhin	Russia	n/a		
2014	Viy 3D [Forbidden Empire 3D]	Oleg Stepchenko	Russia	high	4444.7	865.7
2015	Uchilka [The Teacher]	Aleksey Petrukhin	Russia	low	76.6	

Table 16. Direktsiya Kino films

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Vysotsky. Spasibo, chto zhivoy [Vysotsky: Thank God I'm Alive]	Peter Buslov	Russia	high	4262.0	689.6
2013	Kurer iz 'Raya' [Courier From 'Paradise']	Mikhail Khleborodov	Russia	high	840.4	41.1

Animated film producers

After the collapse of the USSR, Russian animation, along with the whole domestic film industry, plunged into a prolonged crisis. State subsidies fell dramatically at a time when there were a great many studios seeking financial support. When the economy stabilised, Russian studios started to experiment with producing feature-length animated films. In 2003, audiences watched *Little Longnose* from Melnitsa Animation Studio in cinemas, and in 2006 Solnechniy Dom Studio released *Prince Vladimir.* In 2004, Melnitsa produced a cartoon about Alyosha Popovich — and the Bogatyrs franchise was born. Little by little, the animation sector began to revive itself.

In addition to feature-length projects, studios also tried their hand at animated series. The first successful project in this regard was the *Kikoriki* series, which first aired in May 2004 and has since been extensively shown on television. The animated series was the flagship project of the Riki Group, founded by general producer Ilya Popov. The animated series is currently being translated into different languages and shown in many countries. At the end of 2011, the full-length animated film *Kikoriki: Team Invincible* was released, collecting more than RUB 250 million at the box office. The sequel, *Kikoriki: Legend of the Golden Dragon,* premiered in March 2016 and a third instalment is planned for 2017, to be called *Kikoriki: Deja Vu.*

In the wake of *Kikoriki,* Riki Productions and Aeroplane Productions introduced a new collaborative animated series, *Fixies.* The first season was released in December 2010. The cartoon was very popular with audiences in different countries. Aeroplane Productions has recently announced production is under way on a full-length *Fixies* film. It is scheduled to premiere in the first half of 2017.

We cannot neglect to mention the success of Animaccord Studio's animated series *Masha and the Bear,* which was first shown in early 2009. The series is currently being extensively broadcast in more than hundred countries around the world. In February 2015, Animaccord Studio became the first Russian company to win a Creative Talent award at America's Kidscreen Awards. The show received the Best Animated Series award.

Melnitsa Animation Studio, Wizart Animation, the Riki Group, and KinoAtis are the most active producers of animated feature films for cinema release (Table 17). Melnitsa Animation Studio was propelled to the top thanks to its collaboration with CTB; their *Ivan Tsarevich* and *Three Bogatyrs* franchises were very popular among Russian audiences and have regularly performed impressively at the box office. Wizart Animation appeared among the top companies producing feature-length animations thank to *The Snow Queen* series, which was released not only in Russia, but also in many foreign countries, including China, South Korea, and Brazil. We should also note that while virtually no Russian animation studios have collaborated with foreign counterparts until recently, this has not prevented them from entering the international market and achieving respectable results.

The *MULT v kino (Cartoons at the Cinema)* project was launched at the end of March 2015 to give people the opportunity to watch new episodes of their favourite animated shows on the big screen. Melnitsa Animation Studio and KinoAtis have contributed to the project: Melnitsa is behind *Barboskiny* and *Luntik and His Friends,* and KinoAtis produces the *Space Dogs* series. New *MULT v kino (Cartoons at the Cinema)* instalments are released for cinemas every two weeks, with a total of 21 appearing in 2015.[12]

[12] It is worth remembering that, when calculating the number of releases (see Table 1), all instalments of *MULT v kino (Cartoons at the Cinema)* are counted as one project; the same is true for the *Kinodetstvo (Children's Cinema)* project, which includes short, non-premiere series (five instalments were released in 2014 and 11 in 2015).

Table 17. Films released by leading animated film producers in Russia between 2011 and 2015

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Budget	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
Melnitsa Animation Studio — http://melnitsa.com/en						
2011	Ivan Tsarevich i Seryy Volk [Ivan Tsarevich & the Grey Wolf]	Vladimir Toropchin	Russia	low	3788.7	368.8
2012	Tri bogatyrya na dalnikh beregakh [Three Heroes on Distant Shores]	Konstantin Feoktistov	Russia	low	4104	531.8
2013	Ivan Tsarevich i Seryy Volk 2 [Ivan Tsarevich & the Grey Wolf 2]	Vladimir Toropchin	Russia	mid-range	2820	322.1
2015	Tri bogatyrya: khod konem [Three Bogatyrs. Knight's Move]	Konstantin Feoktistov	Russia	mid-range	3965.4	376.9
Wizart Animation — http://wizartanimation.com						
2012	Snezhnaya koroleva [The Snow Queen]	Vladlen Barbe, Maxim Sveshnikov	Russia	high	1123.5	1208.6
2013	Kak poymat pero Zhar-Ptitsy [How to Catch the Firebird's Feather]	Vyacheslav Plotnikov, Georgiy Gitis	Russia	low	426.6	63.0
2015	Snezhnaya koroleva 2: Perezamorozka [The Snow Queen 2: The Snow King]	Aleksey Tsitsilin	Russia	high	1289.8	1573.9
Riki Group — http://www.riki-group.com						
2011	Smeshariki. Nachalo [Kikoriki: Team Invincible]	Denis Chernov	Russia	high	1317.5	71.7
KinoAtis — http://kinoatis.ru/en						
2014	Belka i Strelka: Lunnye priklyucheniya [Space Dogs. Moon Adventures / Space Dogs 2]	Aleksandr Khramtsov, Vadim Sotskov, Inna Evlannikova	Russia	mid-range	1059.8	17.5
2015	Neobyknovennoye puteshestvie Serafimy [Serafima's Extraordinary Travels]	Sergey Antonov, Stas Podivilov, Viktor Strelchenko, Yuri Pronin	Russia	mid-range	435.5	

Documentary film producers

A few documentaries are released every year, but they spend considerably less time on release in cinemas than feature films and animated films. Documentary films are often unpopular with Russian viewers. In addition, films in this genre are almost never advertised. Russian studios which mainly produce documentaries often do not aim to have their projects shown on the big screen. One note-worthy Russian documentary released in recent years is the film *I Don't Believe in Anarchy*, which managed to make more than RUB 5 million at the box office.

The largest film companies producing documentary films are Gorky Film Studio, St. Petersburg Documentary Film Studio, and the Marina Razbezhkina Studio. In the last five years they have each released between five and 10 feature-length documentary films, all of which have been made without assistance from abroad.

Table 18. Films by leading documentary film producers with runtime over 52 minutes, released between 2011 and 2015

Sources: Movie Research (production), Booker's Bulletin (domestic attendance), LUMIERE database (foreign attendance)

Year of release in Russia	Title	Director	Countries of production	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
Gorky Film Studio – http://www.gorkyfilm.ru/eng					
2013	Strakhi i agressiya – pilyuli dlya razvitiya tsivilizatsii [Stress and Aggression – Pills for the Development of Civilisation]	Ivan Nikolaev	Russia		
2013	Strekoza [Dragonfly]	Aleksey Virskiy	Russia		
2015	Bukvalnaya geometriya [The Discrete Charm of Geometry]	Ekaterina Eremenko	Russia	532	
2015	Dalkie blizkie [Distant Relatives]	Yulia Varentsova	Russia		
2015	Ivan Grozniy [Ivan the Terrible]	Igor Volosetsky, Elena Kukushkina, Peter Moers	Russia		
St. Petersburg Documentary Film Studio – http://www.lendoc.ru (Russian only)					
2011	K-313	Maxim Katushkin	Russia		
2011	Fotograf [The Photographer]	Nadezhda Abramova	Russia		
2013	Kak nayti muzhchinu [How to Find a Man]	Alina Rudnitskaya	Russia		
2013	Kinokhronika v realnom vremeni [Film Chronicle in Real Time]	Natalia Debizheva	Russia		
2013	Na krayu sveta [At World's End]	Irma Komladze	Russia		
2013	Russkiy son [Russian Dream]	Sergey Debizhev	Russia		
2014	Kinoalmanakh 'Tsena pobedy' [Price of Victory film anthology] (five short films about sport)	Ivan Bortnikov, Zoya Petrova, Marina Sycheva, Roman Duneshenko, Daria Markevich	Russia		
2014	Tsurtsula	Aleksey Nikolaev	Russia		
2015	Moya taynaya strana [My Secret Country]	Maria Popritsak	Russia		
2015	Nauka i zhizn [Science and Life]	Alina Rudnitskaya	Russia		
Marina Razbezhkina Studio -—http://razbeg.org (Russian only)					
2012	Zima, ukhodi! [Winter, Go Away!]	Dmitry Kubasov	Russia		37
2013	Opticheskaya os [Optical Axis]	Marina Razbezhkina	Russia		
2014	Zdes i seychas [Here and Now]	Maria Pavlova	Russia		
2014	Posledniy limozin [The Last Limousine]	Daria Khlestkina	Russia		
2014	Syuzhety o stroitelstve kapitalizma v Rossii [Stories about Building Capitalism in Russia]	Marina Razbezhkina	Russia		
2014	21 den [21 Days]	Tamara Dondurey	Russia		
2015	Malenkiy prints [The Little Prince]	Olga Privolnova	Russia		
2015	Ferma [The Farm]	Andrey Shabaev	Russia		
2015	Chuzhaya rabota [Someone Else's Job]	Denis Shabaev	Russia		

Note: *The Discrete Charm of Geometry* is a continuation of the themes of Ekaterina Eremenko's *Colours of Math* (which was seen by a domestic audience of 3,678, according to *Movie Research* data). The first part was filmed by her own company, Ekaterina Eremenko Films, and the second was created at Gorky Film Studio.

2.1.3. Conclusions

Based on a quantitative analysis of film production in Russia, it is clear that there has been an appreciable increase in the number of films produced: over the last five years, this has risen by 50% in the case of feature films. In 2015, the market for other types of audiovisual product also expanded, owing to the theatrical distribution of documentary films and short animated film series, which became possible as a result of the full digital conversion of the cinema network.

Significant changes in average production budgets calculated in roubles have not been observed, but as a consequence of the fall in value of the national currency, the budgets of Russian films in euros have, obviously, declined.

With regard to the structure of the market for films which receive a theatrical distribution, the leading positions are held by companies in receipt of government subsidies as part of the Cinema Fund's support for leaders. Only a few independent producers are able to compete with these companies, and only in cases where they also receive support from the Cinema Fund or the Ministry of Culture (for animated and documentary films), or where they are working with such companies. Yet a large number of producers making films without state support, either in Moscow or, especially, in the regions,[13] cannot compete in terms of the number of films released or in terms of budgets, which is subsequently reflected in their distribution results. State support, and the fact that it is concentrated in Moscow, therefore currently has a significant impact on the market.

The producers who released the most films during the period under review have distribution subdivisions and primarily release commercial products (only five of the 17 companies reviewed – excluding documentary film studios – also make arthouse films). All of the leading companies are also seeking to promote their films on television following release in cinemas. The majority of animation studios make series for television. This is how companies compensate for the lack of cinemas in Russia: at the end of 2015, according to Nevafilm Research, 60% of people in Russia (85% of those living in urban areas) had access to cinemas regularly screening films. The underdeveloped cinema market means that the majority of domestic films are not able to recoup their costs in distribution. This is also behind the efforts of Russian producers in foreign markets: almost all of the leading domestic film production companies we looked at, including animation studios, sell their films abroad, including in the USA and China.

At the same time, most of the leading market players were not involved in co-production projects during the period under review. Of those who did produce joint films between 2011 and 2015, three worked with US companies, three with companies in the CIS, and just one with Europe. Another is currently working on a joint project with China.

2.2. Co-productions in Russia

2.2.1. Research methods

Co-production, or joint film production in its original form as set out in international accords (such as the European Convention on Cinematographic Co-Production), is defined

[13] Regional films are films made by producers and filmmakers based outside Moscow and St. Petersburg and released primarily in the region in question and in neighbouring territories, usually without a distributor. This segment of the Russian film market was first analysed in *The Film Industry in the Russian Federation,* a report prepared by Nevafilm for the European Audiovisual Observatory in cooperation with Movie Research (Universe Consulting) and iKS Consulting Strasbourg in December 2014 – http://shop.obs.coe.int/en/markets-financing/24-the-film-industry-in-the-russian-federation.html.

as collaboration between *producers* from different countries. In practice, however, this term also applies to such types of collaboration as specific services a film crew provides to a foreign producer who wants to film a project in a particular country for creative, financial, or technical reasons. In the widest sense, co-production can be any joint work by filmmakers from different countries, including foreign actors cast in domestic films, as well as the end result of this work: a film produced by film professionals from various countries.

In practice, co-production between Russia and other countries in all its forms, especially when it comes to the first and most important definition, is relatively rare. This tool is so underused that there is no regular official reporting on the number of co-productions, and neither the Cinema Fund nor the Ministry of Culture publishes this information. By contrast, in EU countries these figures are always included in annual reports published by the state bodies which regulate the film industry or keep track of statistics. In France, for example, the *Centre national du cinéma et de l'image animée* (CNC) reports that majority co-productions accounted for 21% of the country's annual feature film output, while minority co-productions added another 23%. According to the British Film Institute, 7% of Britain's films are majority co-productions, 7% are minority co-productions, and 14% are films produced with Hollywood capital (inward or incoming investment). Official statistics, therefore, can convey an idea of a country's national policy and priorities for the film industry and international cooperation in general.

The European Audiovisual Observatory uses methodologies that allow it to list only one country of origin or production per film (namely, the country which served as majority producer [14]) for statistical purposes. As a result, a given country's minority co-productions are not included in its attendance statistics. However, the lack of transparency in Russia's film budget reporting casts doubt on whether this method takes into account all films co-produced with Russia, since the share of Russian production companies in a given film's budget is not always disclosed. As a result, we had to look beyond majority co-production statistics provided by the LUMIERE database. We drew our data from two additional sources: first, the Russian National Film Registry, which lists films that were issued a distribution certificate for Russia, published on the official Ministry of Culture website[15], and second, information collected by Russia's largest film database, the KinoPoisk website.[16]

Each source has its own way of identifying countries of origin. The **National Film Registry** contains information submitted by the entity that applied for the distribution certificate. The applicant can be an individual or a legal entity legally registered in the Russian Federation which owns the exclusive film rights, or the entity which holds the licence to reproduce, distribute, exhibit, or broadcast the film on air or on cable under a licensing agreement.[17] However, the applicant is not required to submit documentation that tracks each country's share in the film's budget; therefore, the information listed in distribution certificates is based purely on the word of the rights holder. The European Audiovisual Observatory, which compiles the **LUMIERE database,** stresses that the lack of widely accepted international criteria makes

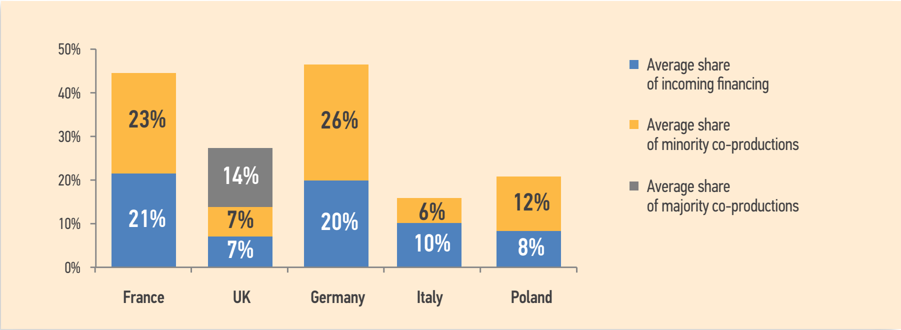
[14] In the LUMIERE database (http://lumiere.obs.coe.int), these films can be identified by Russia's (RU) top billing in the list of countries that participated in the co-production.

[15] See http://mkrf.ru/registr/ (Russian only).

[16] See http://www.kinopoisk.ru/ (Russian only).

[17] Administrative Regulation by the Ministry of Culture of the Russian Federation http://mkrf.ru/upload/mkrf/mkdocs2015/ (Russian only).

Figure 2. Average share of co-productions on specific European markets (2011–2015)
Source: Focus 2016, European Audiovisual Observatory



it difficult to determine which countries took part in a given co-production. The LUMIERE database relies on analysis of data collected from a range of sources, and its authors do their best to indicate all countries that took part in a co-production and list them in descending order based on their financial contribution. **KinoPoisk** identifies countries by studio, as well as by information listed in the credits.

In selecting films for this study, we looked at **feature-length, live-action, animation, and documentary films produced between 2011 and 2015 for theatrical release** (i.e. films released in theatres in at least one country based on information from Russian industry publications, the KinoPoisk website, and the LUMIERE and LUMIERE.PRO databases). This means our list does not include films with a running time of under 52 minutes, alternative content (stage plays, ballets, and concerts recorded for theatrical release), or made-for-TV films. The list does include two films for which Russia is not included in the list of co-producers in any of the three sources used in this study: the children's movie *Zip & Zap and the Marble Gang* and the horror film *Abraham Lincoln: Vampire Hunter*. In the first case, the film is listed by CTB, a Russian production company, on its official website.[18] In the second case, the film's distribution licence lists another Russian company, Bazelevs, among its co-producers (although Russia is not listed as one of the countries of production). In addition, our list of co-productions includes all films which received support from the Eurimages Fund; however, two of these films (*Dau and Seagull*) were never released in any country. At the time of conducting this study, moreover, the information available on films produced in 2015 (or earlier) which had yet to be released for domestic distribution by the middle of 2016, or international distribution by the end of 2015, was incomplete.

2.2.2. Total number of films co-produced with Russia

Based on the parameters described above, we estimate that in the period from 2011 to 2015, Russian producers released 125 films co-produced with other countries. LUMIERE lists 95 co-productions (only 37 of which indicate Russia

[18] See http://ctb.ru/en/films/zip-zap-and-the-marble-gang/.

as the majority co-producer); the National Film Registry lists 48 distribution certificates issued to co-productions; and the KinoPoisk website reports the highest number of co-productions, 97.

To sum up, based on cumulative data from all sources of country of origin information, in the last five years co-productions accounted for an average of 23% of all Russian films released domestically, but only 7% of those were majority co-productions listed in the LUMIERE database. In 2015, the number of co-productions decreased, while the total number of domestically produced films grew; and as a result, the share of co-productions among all releases fell dramatically (see Section 2.1. Film Production in Russia).[19]

[19] Please note that the data for 2015 is not final: a proportion of films, including those produced with foreign partners, may enter distribution (receive a distribution certificate) later; however, by the middle of 2016, it was possible to discern a trend indicating a downturn in the number and share of co-productions in Russia.

2.2.3. Russia's co-production partners

Based on all three sources of country of origin information, Russia's most frequent co-production partners hail from the USA, Germany, France, the UK, and Ukraine. Co-productions with Belarus, Latvia, the Netherlands, Kazakhstan, and Poland are somewhat less frequent. However, different sources list Russian production partners in different positions based on various factors, including the number of countries of origin listed for more than 5% of films released in the period examined in the study (see Figure 5).

It is important to take note of the countries which work with Russia on its majority co-productions (Figure 6). In this category, Russia's most frequent partners in 2011–2015 were Ukraine and the USA; and while Russia served as majority co-producer in 77% of films

Figure 3. Number of films co-produced with Russia, by production year and source of country participant data

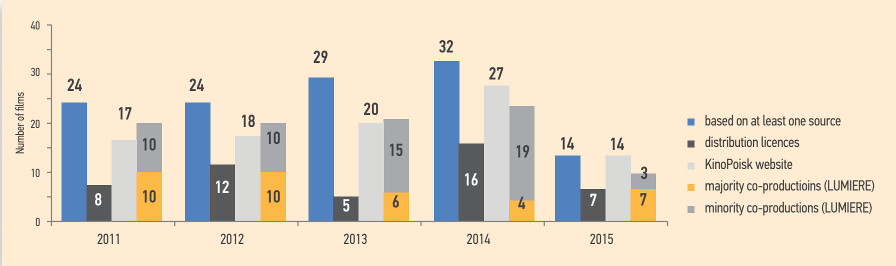
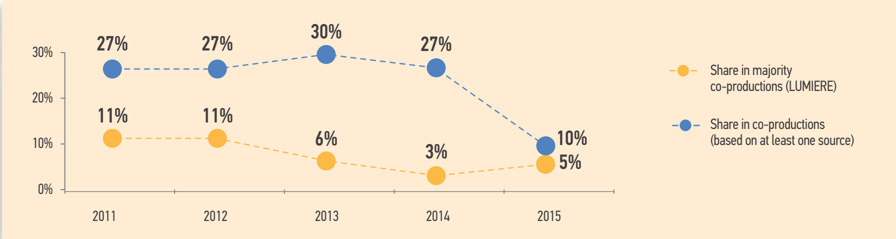


Figure 4. Share of co-productions among all films released in Russia (2011-2015)
Source: Movie Research, LUMIERE



co-produced with Ukraine (10 out of 13), the situation with the USA is reversed, with Russia acting as majority co-producer in 32% of cases (10 out of 31 films).

We also analysed trends in the participation by various countries (incorporated into several larger geographic regions) in co-productions with Russia. However, no overriding trends could be identified: European producers remain Russia's most significant partners, followed by those from the USA and the former Soviet republics (the CIS and Georgia), with Asia and other regions lagging somewhat behind (Figure 7).

In 2012, the industry saw an increase in Russian–Ukrainian co-productions (Figure 8). However, this trend did not continue into the following years: in 2013, the number of co-productions between these two nations returned to its 2011 level, and in 2014 it dropped even further, partly due to the deteriorating political situation in Ukraine. It must be noted that in 2015, despite the complicated relationship between Russia and Ukraine, the number of co-productions saw another increase. Overall, collaboration between Russia and other post-Soviet countries has not undergone any significant shifts in the last five years.

Figure 5. Country participation in co-productions with Russia based on various sources (2011–2015)

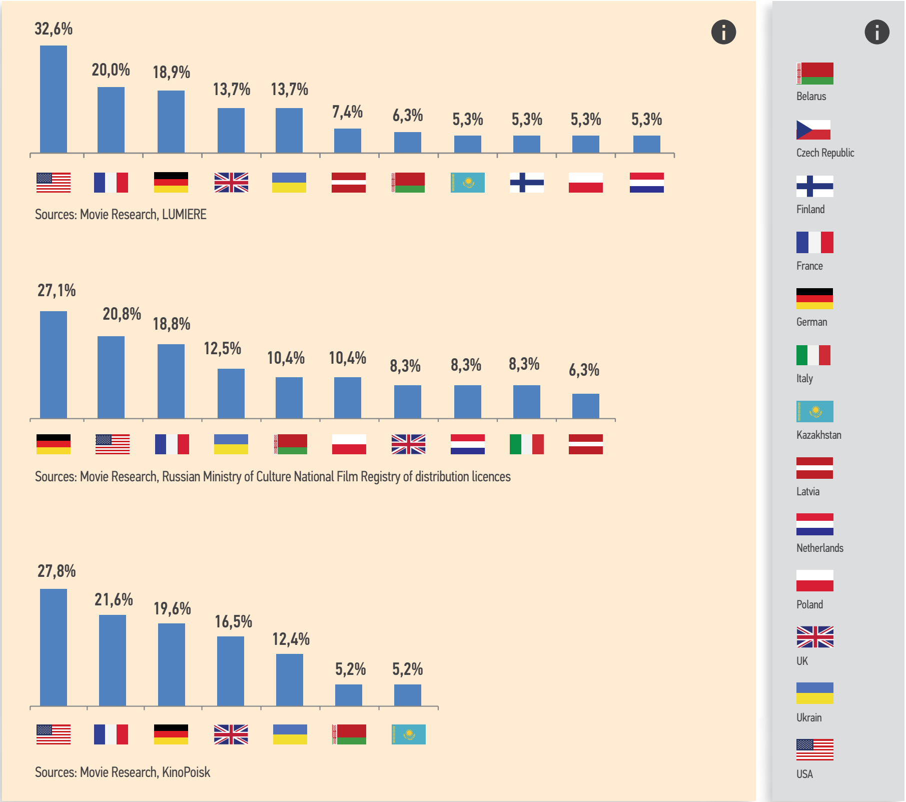
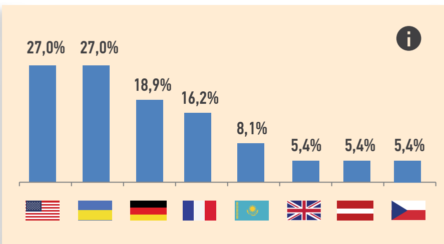


Figure 6. Country shares in the budgets of Russian majority co-productions
Sources: Movie Research, LUMIERE



Between 2012 and 2014, Timur Bekmambetov's Bazelevs co-produced successful projects with American studios, including majors like Universal Studios and 20th Century Fox. Their collaboration resulted in three releases (Table 21), with the head of Bazelevs himself directing a vampire horror flick. In 2012, the film earned him the International Filmmaker of the Year Award at the annual CinemaCon film industry convention.

2.2.4. Russian companies actively participating in international co-productions

The two Russian companies most active in the co-production sphere are CTB and Interfest (Real-Dakota), headed by executive producers Sergei Selyanov and Renat Davletyarov, respectively. During the period examined in our study, CTB released eight films co-produced with other countries, while Real-Dakota released four co-productions.

2.2.5. Foreign companies actively participating in co-productions with Russia

Belarusfilm is notable for its frequent collaboration with Russian film producers. In 2011–2015, the studio co-produced four films (Table 22).

We could not fail to mention Russia's collaboration with Hollywood indie film studio Aldamisa Entertainment, founded by

Figure 7. Countries working on co-productions with Russia (by region): a co-produced based on at least one source (2011–2015)
Sources: Movie Research, Russian Ministry of Culture National Film Registry of distribution licences, LUMIERE, KinoPoisk

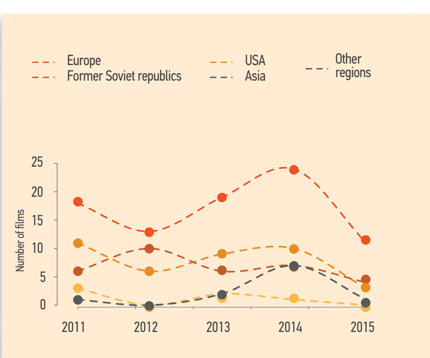


Figure 8. Former Soviet republics working on co-productions with Russia: number of films co-produced based on at least one source (2011–2015)
Sources: Movie Research, National Registry of Distribution Certificates of the RF Ministry of Culture, LUMIERE, KinoPoisk

Russian-American Sergei Bespalov. The Russian side in this collaboration was represented by producer Alexander Rodnyansky, who co-financed three films by world-renowned directors Robert Rodriguez, Frank Miller, and Billy Bob Thornton (Table 23).

The cooperation between Russian producers and Polish company Apple Film Production is also worth noting. This collaboration resulted in the production of three films during the period under review: dramas *Aftermath* (2012) and *Under Electric Clouds* (2015), and *Karski & the Lords of Humanity* (2015), a documentary about the Polish World War II resistance courier.

Table 19. CTB international co-productions

Source: Movie Research

Year of production	Title	Director	Countries of production [20]
2011	Baikonur	Veit Helmer	Germany, Russia, Kazakhstan
2012	Vuosaari [Naked Harbour]	Aku Louhimies	Finland, Austria, Russia
2012	Ausgerechnet Sibirien [Lost in Siberia]	Ralf Huettner	Germany, Russia
2013	Wrong Cops	Quentin Dupieux	USA, Russia, France
2013	Marussia	Eva Pervolovici	Russia, France
2013	Zipi y Zape y el club de la canica [Zip & Zap and the Marble Gang]	Oskar Santos Gómez	Spain
2014	Ya ne vernus [I Won't Come Back / I'm Not Coming Back]	Ilmar Raag	Russia, Estonia, Finland, Belarus
2014	El Cinco [The Midfielder]	Adrián Biniez	Argentina, Uruguay, Russia, Germany, France, Netherlands

Note: *Baikonur* and *Lost in Siberia* were not released in Russia.

[20] Here and throughout the text, countries of origin are listed based on the National Film Registry of distribution certificates (Russian Ministry of Culture).

Table 20. Interfest (Real-Dakota) international co-productions

Source: Movie Research

Year of production	Title	Director	Countries of production
2011	Moya bezumnaya semya [We Are Family]	Renat Davletyarov	Russia
2011	Lyubov-morkov 3 [Lovey-Dovey 3]	Sergey Ginzburg	Russia
2012	Parallelnye miry [Parallel Worlds]	Ermek Amanshaev, Georgiy Shengeliya	Russia, Kazakhstan
2014	Begletsy [Fugitives]	Rustam Mosafir	Russia

Note: The films *We Are Family* and *Lovey-Dovey 3* were made in collaboration with the USA (according to the LUMIERE database) and Fugitives was made in collaboration with Kazakhstan (according to KinoPoisk).

Table 21. Bazelevs international co-productions

Source: Movie Research

Year of production	Title	Director	Countries of production
2011	The Darkest Hour	Chris Gorak	USA, Russia
2012	Abraham Lincoln: Vampire Hunter	Timur Bekmambetov	USA
2014	Unfriended / Cybernatural	Leo Gabriadze	USA, Russia, Poland, Germany, Puerto Rico

2.2.6. Russia and Eurimages

The Eurimages European Cinema Support Fund was formed in 1988 under the Council of Europe. The Fund's main function is to support international co-productions and distribute films and audiovisual art. On 1 March 2011, Russia became a member of the organisation, giving Russian filmmakers access to European co-production and distribution support tools.

Between 2012 and June 2016, 10 Russian majority co-productions received Eurimages support (Table 24). The Fund reports that during this period, it received 21 requests for support from Russian filmmakers. However, in 2014, Eurimages rejected both requests from Russian applicants received that year.

Russia did receive Eurimages support back before 2006 as a minority co-producer. The first minority co-production which enjoyed this support was *Gardens in Autumn* by Otar Iosseliani. Eurimages has supported a total of 10 co-productions for which Russia was not the applicant.

Table 22. Belarusfilm co-productions with Russia

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of production	Title	Director	Countries of production	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2011	Brestskaya krepost [Fortress of War]	Aleksandr Kott	Russia, Belarus	755.8	45.8
2012	V tumane [In the Fog]	Sergey Loznitsa	Germany, Netherlands, Belarus, Russia, Latvia		61.4
2014	S 8 marta, muzhchiny! [Happy Women's Day, Men!]	Artyom Aksenenko	Russia, Belarus	398.9	93.4
2014	Ya ne vernus [I Won't Come Back / I'm Not Coming Back]	Ilmar Raag	Russia, Estonia, Finland, Belarus	2.5	16.6

Table 23. Aldamisa Entertainment co-productions with Russia

Sources: Movie Research (production); Film Business Today Magazine, Booker's Bulletin, comScore, and Nevafilm *Research* (domestic attendance); LUMIERE database, Film Business Today Magazine, and comScore (foreign attendance)

Year of production	Title	Director	Countries of production	Domestic admissions (CIS excluding Ukraine), in thousands	Foreign admissions (outside the CIS, including Ukraine), in thousands
2012	Jayne Mansfield's Car	Billy Bob Thornton	USA, Russia	3.0	12.1
2013	Machete Kills	Robert Rodriguez	USA, Russia	384.6	1,643.6
2014	Sin City: A Dame to Kill For	Frank Miller, Robert Rodriguez	USA, Russia	1,028.3	3,706.5

While it is difficult to draw any conclusions on trends in Russian producers' activities when applying for Eurimages support (the number of applications has fluctuated dramatically over the five years of membership without adhering to any discernible pattern), 2016 saw notable progress in terms of support provided to distributors. The first applications from Russian companies distributing European films in Russia appeared only in 2013 (Cascade Film was granted funds for three films). Subsequently, not a single application from any Russian company was received for 2014–2015. But at its June 2016 meeting, Eurimages considered and approved 28 applications from 10 Russian film distributors, including Cascade Film, Luxor Distribution, Cinema Prestige, A-One Films, Capella Film, Exponenta, Arthouse, Kinologistika, Provzglyad, and Volga. Such activity from distributors of European films may be due to a crisis in independent cinema in Russia (the number of releases decreased significantly in 2014–2015, with several companies leaving the market).

Table 24. Russian majority co-productions made with the support of Eurimages

Source: Eurimages

Title	Director	Date support provided	Number of applications per year
Rol [The Role]	Konstantin Lopushansky	09.03.2012	7
Moscow Never Sleeps	Johnny O'Reilly	19.06.2012	
Ya ne vernus [I Won't Come Back / I'm Not Coming Back]	Ilmar Raag	16.10.2012	
Dve zhenshchiny [Two Women]	Vera Glagoleva	21.06.2013	3
Ukus zmei [Snake Bite]	Temur Butikashvili	19.12.2013	
Kharms	Ivan Bolotnikov	12.03.2015	7
Zoologiya [Zoology]	Ivan Tverdovsky	15.10.2015	
Ray [Paradise]	Andrey Konchalovsky	15.10.2015	
Dovlatov	Aleksey German Jr.	11.12.2015	
Nelyubov [Loveless]	Andrey Zvyagintsev	28.06.2016	2

Note: LUMIERE lists Russia as minority co-producer on *The Role* and *I Won't Come Back*.

Table 25. Russian cinemas in the Europa Cinemas network in 2016

Sources: Eurimages, Nevafilm Research

Cinema name	City	Member since
Salyut	Yekaterinburg	October 2013
Dom Kino	Irkutsk	September 2013
Zarya	Kaliningrad	July 2012
35 mm	Moscow	July 2012
Pioner	Moscow	July 2012
Orlyonok	Nizhny Novgorod	July 2012
Pobeda	Novosibirsk	July 2012
Chaika	St. Petersburg	July 2012
Dom Kino	Saratov	January 2015

Additionally, as of 2016, nine Russian cinemas are part of the Europa Cinemas network[21] and receive support for showing European films (Table 25).

2.2.7. Conclusions

Against a background of steady growth in the volume of Russian film production, the number of co-production projects, which had been increasing between 2011 and 2014, fell sharply in 2015 – from 27% of the total number of domestic film releases, to 10%. Given the lag of one to two years between the start of production and theatrical release, this was clearly the result of increasing political tensions in early 2014. On the other hand, the national economic crisis and fall in the value of the rouble, which substantially weakened opportunities for domestic producers in cooperating with foreign partners, may also have had a negative impact on joint production projects.

It is interesting that a drop in the number of projects with majority Russian participation can be seen in 2013 and 2014, while in 2015, the trend reversed and this figure increased. This may be connected to the dissolution of the Cinema Fund's International Department and the cessation of activities conducted by the Russian–German Fund for the support of joint projects and the French–Russian Academy in spring 2013 (which may have affected the 2014 results) and to the change in the national currency exchange rate, to which producers may have been able to adapt somewhat by 2015. Another possible reason for this may be the fact that from a purely economic standpoint, the fall in the rouble made Russia a more attractive destination for film crews, since the cost of film production for foreign producers decreased significantly, drawing the attention of minority co-producers to Russian projects.

Russia's main partners are filmmakers from the CIS, cooperation with whom has its roots in the Soviet era. Germany and France are also fairly active in this respect (here, it is not only tradition which plays a role, but also the joint Fund and the Academy, established in 2011 as part of the Cinema Fund's International Department). In partnerships with the USA and the UK, Russian financial co-producers generally play a minor role, hoping to obtain a share of the revenue from global distribution of English-language films.

The most active Russian production companies in terms of co-producing are CTB (in partnership with Europe, including Eurimages) and Bazelevs (active in the USA thanks to the work of its founder, Timur Bekmambetov). Real-Dakota makes more films with companies in Kazakhstan than other producers. Non-Stop Production founder Alexander Rodnyansky tries his hand on the North American market with enviable regularity, and in 2016 was admitted to the US Academy of Motion Picture Arts and Sciences, which awards the Oscars. The most active foreign studio in terms of cooperation with Russia is Belarusfilm.

Russia's involvement in Eurimages should facilitate the development of co-producing in the country, however Russian producers are not yet showing any signs of submitting more applications for support from the fund for film production. At the same time, the number of cinemas in Russia joining the Europa Cinemas network continues to grow with each passing year. And 2016 saw a breakthrough for Russian

[21] Europa Cinemas was founded in 1992 as part of the MEDIA Programme (currently, Creative Europe) and the CNC in order to support distribution of European films. The programme provides financial and operational support to EU cinemas which dedicate large portions of their schedules to non-domestic European productions. Outside the European Union (in Eastern Europe, the Balkans, Russia, and Turkey), the Europa Cinemas chain receives support from the Eurimages Fund and the French Ministry of Foreign Affairs. By 2016, the chain had grown to 1,037 cinemas (2,537 screens) in 41 countries, while Europa Cinemas/Eurimages operates another 55 cinemas (185 screens) in 36 cities in Russia, Switzerland, and Turkey. For more information, see http://www.europa-cinemas.org.

distributors, who submitted a record number of applications for support for European films in distribution in Russia, and received it at the first Eurimages meeting in June.

2.3. The export of Russian films

2.3.1. Research methods

For the three main regions to which Russian films are exported, the regions' own sources of statistical data were used. This data includes attendance figures for each film, as well as the length of time that the film ran in cinemas. These regions are:

- **Former Soviet republics:**
  Ukraine, Kazakhstan, and Belarus are examined here. For Ukraine, data from *Film Business Today Magazine* for the period **2010–2015** was used. For Kazakhstan and Belarus, data from Nevafilm Research for the period **2012–2015** was used.

- **European countries:**
  We examined the LUMIERE database for films released in the period **2010–2015** in the following countries: Austria, Belgium, Bulgaria, Bosnia and Herzegovina, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Macedonia, Montenegro, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

- **Other international markets:**
  Information for all other markets, including Argentina, Australia, Brazil, Canada, Chile, Colombia, Mexico, New Zealand, South Korea, the USA, and Venezuela for the period from **2011** to **2015**, and China for the period from **2014** to **2015**, was provided by comScore (via LUMIERE PRO).

The films selected for analysis were produced between 2010 and 2014 and are either wholly Russian or co-produced by Russia (whether as a majority or minority stakeholder), according to the European Audiovisual Observatory's LUMIERE database. This list also includes six films for which Russia's participation is substantiated by other sources (the KinoPoisk website, the Russian Ministry of Culture's National Film Registry of distribution licences, or the producer who participated on the Russian side),[22] as well as five films which were distributed in the CIS, but are not listed in the LUMIERE database.[23] In light of this, a total of 336 films have been analysed, all produced between 2010 and 2014 and released abroad in the countries mentioned above (based on the distribution time frames in the statistics provided for each country).

In addition, for the purposes of this study, the 2010–2015 distribution results in the CIS countries were analysed taking into account all films in distribution at that time: a further 66 films for which no data on distribution in other countries is available.

2.3.2. Overall ranking of foreign market

Because the years in which a film was shown in different countries are not always the same, it is impossible to compile ratings for the popularity of Russian films in foreign markets, either by year or as a whole, for the period 2010–2015. We therefore examined *average annual attendance* data for Russian films by country.

[22] *Sin City: A Dame to Kill For, The Cut, Vuosaari [Naked Harbour], American Heist, Cooties, The Aunties*

[23] *Unreal Love; The Big Laugh; My Mermaid, My Lorelei; Written by Sergei Dovlatov; Sex, Coffee, Cigarettes.*

The main market for Russian productions during the period under review was Ukraine, followed by the United States in second position and Kazakhstan in third.

At the same time, the USA's overwhelming share of Russian film distribution can be accounted for by films in which Russia had a minority role, and, first and foremost, English-language projects, such as *The Darkest Hour, Sin City: A Dame to Kill For,* and *Unfriended* (originally titled *Cybernatural*).

Moreover, if we examine entirely Russian films or Russian majority co-productions (Russian-led films), the former Soviet republics of Ukraine, Kazakhstan, and Belarus come out on top, with China following closely behind, thanks primarily to the size of its market, rather than because Russian films are especially popular in China (this analysis includes figures for only two films distributed in China: *Metro* and *The Snow Queen).*

In general, if we consider all tickets sold across all regions and periods for Russian majority co-productions made between 2010 and 2014, the CIS constitutes the primary market for domestic films, with Europe in second place. Films produced between 2013 and 2014 and released in other countries, including China, are only now beginning to reach levels comparable to European distribution figures.

2.3.3. The markets of the CIS: Ukraine, Kazakhstan, Belarus

Understandably, the countries of the CIS have traditionally been the main markets for exported Russian films. They have a great deal in common: a shared history, outlook, and language. Having a shared language makes it much easier for Russian films to travel to CIS countries. Russian is spoken almost everywhere across the former USSR and the language still enjoys official status in many countries. As a result, distributors are able to release films in Russian or dubbed into Russian, and although some countries have imposed a legal obligation to dub films into the national language,[24] this does not prevent the release of Russian films, because they can be shown in the original language.

[24] Such a law was adopted in Ukraine in 2008 and in Kazakhstan in 2012 (since the market is quite small there, it was difficult to recoup the cost of dubbing. After the law was adopted, there were a series of consultations on this subject between the film distribution community and the government, as a result of which the requirement for compulsory dubbing was postponed indefinitely).

Figure 9. Countries ranked by average annual attendance for films produced or co-produced by Russia (2011–2015)

Sources: LUMIERE, comScore, Film Business Today Magazine, Nevafilm *Research*

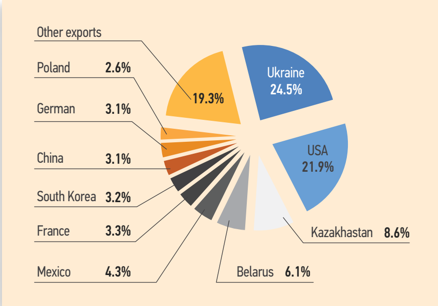


Figure 10. Countries ranked by average annual share of attendance for films in which Russia was a minority co-producer (2011–2015)

Sources: LUMIERE, comScore, Film Business Today Magazine, Nevafilm *Research*

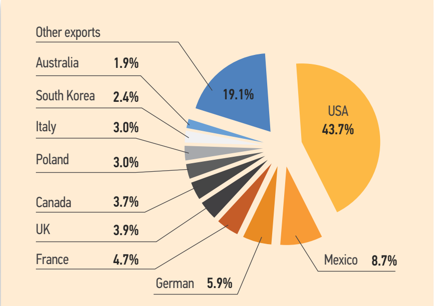


Figure 11. Countries ranked by average annual share of attendance for wholly Russian films and films in which Russia was a majority co-producer (2011–2015)
Sources: LUMIERE, comScore, Film Business Today Magazine, Nevafilm *Research*

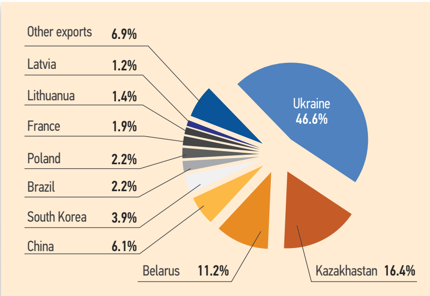
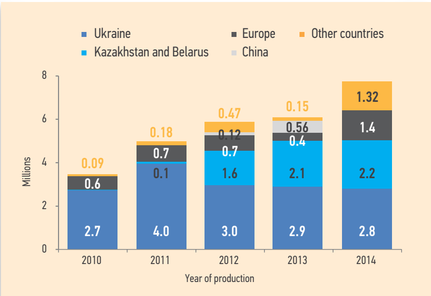


Figure 12. Attendance for Russian-led films in key foreign markets, by year of production
Sources: LUMIERE, comScore, Film Business Today Magazine, Nevafilm *Research*



International market rights are generally sold to the countries of the CIS, and the distribution of films (both foreign and domestic) in those countries is generally guided from Moscow. Sub-distributors have only recently appeared in the post-Soviet states, and only where justified by the size of the market. The Ukrainian film market was the first to break away, with independent distribution companies appearing for the first time in 2003 and 2004 (thus far, the majority of Ukrainian companies are in no way connected to Russian distributors). Kazakhstan's film market began to gather momentum around 2008 or 2009, and rapid growth has been noted in Belarus since 2014.

Ukraine is the largest market, although its transparency has decreased with increased autonomy. In the early 2000s, when the Ukrainian market was the purview of Russian distributors, *Film Business Today Magazine* successfully collected box office and attendance figures for all films in Ukrainian distribution. Today, however, this information remains unavailable for most independent films, despite the fact that the publication still exists, along with the Russian magazine *Booker's Bulletin* (first published in 2008). In Ukraine, market data is collected by Kinosvit (since 2004) and *VGL Cinema* magazine (since 2013). According to data from *VGL Cinema*, on average more than 300 films were released annually in Ukrainian distribution between 2013 and 2015, but the data on box office earnings and attendance is only known for about 170–200 of them. Results have nonetheless been published for films from major Hollywood film studios as well as those from Russian producers, making it possible to examine 80–90% of the volume on the Ukrainian market. According to this data, Ukraine accounts for approximately 12% of the Russian film market.

Analysts long considered the other countries of the CIS to be part of the Russian market, because Russian distribution companies operated in these countries, and the underdeveloped cinema networks there left little hope that local, independent networks of distributors might emerge. It was only recently that Nevafilm Research conducted a study of the largest countries, Kazakhstan and Belarus. We were able to collect data on films released in these countries since 2012, although, on the whole, these markets are not fully transparent either. The main problem relates to statistics about national films, which local producers either do not divulge on principle or simply do not record. Even in this area, however, at least 90% of distribution figures are tracked. According to this data, Kazakhstan constitutes around 6% of the Russian market and Belarus around 3%, with rapid growth observed in the last two years.

Despite the relatively small size of their film markets (Figure 13), these three countries constitute the main source of export revenue for Russian film producers,[25] increasing the total audience for their films by 10–19% relative to the Russian audience alone (Figure 14). That said, in recent years this number has been decreasing. There are two reasons for this. Firstly, the Ukrainian market for Russian films is shrinking rapidly: a loss that has not been compensated for by the growth of their market share in Kazakhstan and Belarus driven by the addition of new screens in these countries. Secondly, the position of domestic films in Russia has grown stronger as cinema networks have expanded and the number of domestic releases has increased.

The study examined 189 Russian-led films distributed in the CIS. This kind of release is on the increase in the three countries, although this is essentially owing to Belarus, where over the past two years, we have seen the emergence of the first privately-owned multiplexes, leading to a huge expansion in the country's play schedule (prior to this, state-owned, two-screen cinemas could only accommodate a limited number of films, chiefly Hollywood blockbusters).

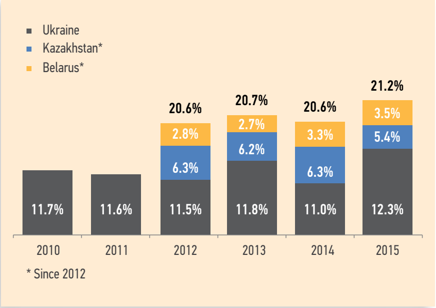
Close cooperation between Russia and Ukraine on the production of romantic comedies has led to films such as the Real-Dakota studio trilogy *No Love in the City* (the second film was seen by 665,000 people, the third by 590,000) and the Russian comedy *Office Romance: Our Time* (661,000), all of which feature the Ukrainian star Vladimir Zelensky and have been among the most popular domestic films in the country. Other hit films on the Ukrainian market include *Forbidden Empire* (850,000), *Vysotsky: Thank God I'm Alive* (638,000), *Stalingrad* (589,000), *Kiss Them All!* (470,000), and the *Six Degrees of Celebration* series.

The number of films available to Kazakh audiences remained steady at around 40 annually, with comedies prevailing. The top films here were *Six Degrees of Celebration 3* (attracting an audience of 274,000), *No Love in the City*, and *Kiss Them All!* (over 150,000 each). The drama *Stalingrad* was the fourth most popular Russian production in Kazakhstan, attracting an audience of 144,000.

In Belarus, the biggest audiences in 2010–2015 went to see the fantasy film *Forbidden Empire* (183,000) and two comedies, *Six Degrees of Celebration 3* (160,000) and *The Kitchen in Paris* (130,000).

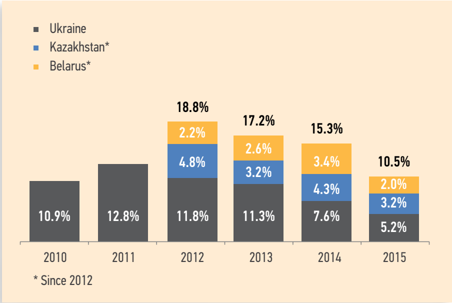
Figure 13. CIS countries' shares of the Russian Federation market (by attendance), 2010–2015

Sources: Film Business Today Magazine (Ukraine), Nevafilm *Research* (Kazakhstan, Belarus)



[25] Please note that this section reviews distribution results for films produced in the period 2010–2015; meanwhile, Figure 14 shows attendance data for all films produced with Russian participation (including minority co-productions).

Figure 14. Attendance for Russian films in key CIS markets as a share of Russian attendance, 2010–2015
Sources: Film Business Today Magazine (Ukraine), Nevafilm *Research* (Kazakhstan, Belarus)



The contrast between market trends observed in the Ukrainian market on the one hand, and the Kazakh and Belarussian markets on the other, is worthy of note. Before attendance for Russian films fell in all three countries in 2015, audience size had grown in Belarus and Kazakhstan in 2014. The number of Russian films in distribution in Belarus grew dramatically in 2015 and has remained stable in Kazakhstan. In Ukraine, meanwhile, the number of releases and their attendance figures have been falling rapidly, as a result of political events starting in 2014 (see Figure 15 and Figure 16). One of the reasons why Russian producers are losing access to the Ukrainian market is that at the end of March 2016, the Ukrainian parliament banned the television broadcast of all new Russian films in the country. This move was preceded by a number of restrictions and embargoes on individual films[26] (those which "feature promotion or propaganda of organs of the aggressor state and their individual actions", as well as films involving any Russian actors included in a "list of persons posing a threat to national security"), which are also currently in force for cinema release.

Thus, the markets closest to Russian cinema in terms of mentality and culture have shrunk in recent years. This is a trend which ought to encourage domestic producers to expand distribution to other countries.

2.3.4. The European market

Our figures for the export of Russian films to Europe are drawn from the European

[26] Ukrainian law No. 1046-VIII, dated 29.02.2016, 'On amendments to article 15-1 of the Ukrainian law "On cinematography"'. See http://zakon2.rada.gov.ua/laws/show/1046-viii (Ukrainian only).

Figure 15. Number of Russian-led films produced between 2010 and 2015 in key CIS film markets
Sources: Film Business Today Magazine (Ukraine), Nevafilm *Research* (Kazakhstan, Belarus)

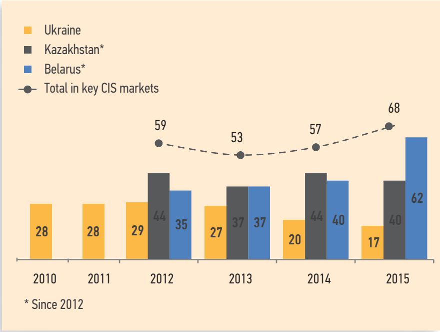


Figure16. Attendance for Russian-led films produced between 2010 and 2015 in key CIS film markets
Sources: Film Business Today Magazine (Ukraine), Nevafilm *Research* (Kazakhstan, Belarus)

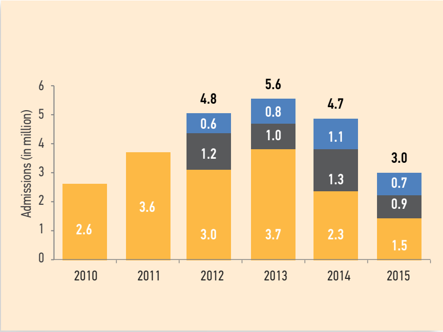
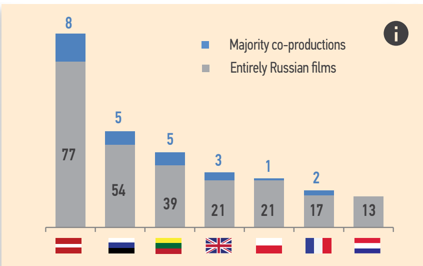


Figure 17. Number of Russian-led films produced in 2010–2014 in the European market (2010-2015)
Source: LUMIERE



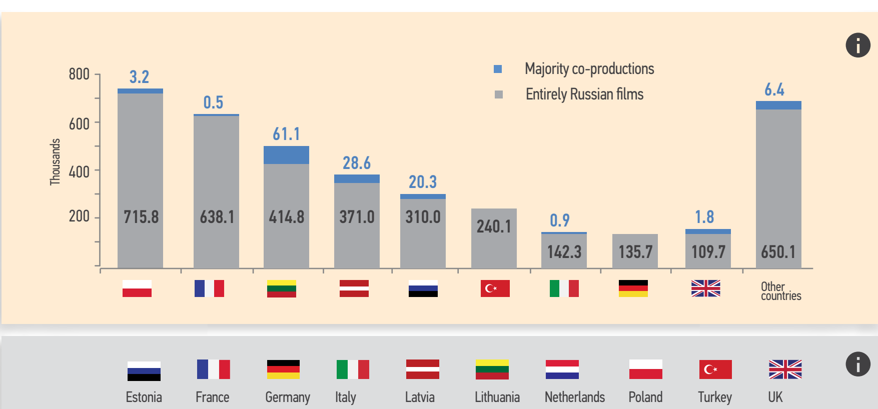
Audiovisual Observatory's LUMIERE database. As stated earlier, distribution data for these films covers the period from 2010 to 2015 and Russian-led films produced in 2010–2014.

In this period, a total of 134 entirely Russian films and 19 majority Russian productions were released across 30 countries. The greatest number of these were screened in the former Soviet republics of Latvia, Estonia, and Lithuania; this is explained by the presence of Russian communities in these EU countries. Other countries to have released Russian films include the UK, France, Poland, and the Netherlands, in each of which, over the five-year period, at least 10 Russian-led films were released.

Poland leads the attendance figures for Russian films, with audiences of 200,000 flocking to commercial animated films such as *Space Dogs, The Snow Queen,* and *The Snow Queen 2: The Snow King.* The second-largest film market over the given period for Russian producers is France, where it was primarily arthouse films such as *Leviathan* and *Elena* that brought in high attendance figures, attracting 176,000 and 143,000 cinemagoers respectively. The most popular films in the former Soviet republics were the films in the *Six Degrees of Celebration* series, from Timur Bekmambetov's studio Bazelevs (the ratings for Russian films in these countries generally correspond to those for the Russian market).

We can conclude that interest in Russian cinema among European audiences may be divided into two categories: entertainment films and Russian animation dominate in countries with closer historical and cultural ties to Russia (the Baltic countries, Eastern Europe, Turkey), while audiences in Western and Northern Europe greatly prefer Russian independent films (the most popular being *Leviathan, Elena,* and *Faust*).

Figure 18. Attendance for Russian-led films produced in 2010–2014 in the European market (2010–2015)
Source: LUMIERE



2.3.5. Assorted other global markets

We used LUMIERE.PRO data provided by comScore to analyse Russian-led films released in 12 non-European countries between 2011 and 2015 (produced in 2010–2014).

Thirty films were released in total, the majority in South Korea and the USA. Brazil came in third with eight films on release, followed by Australia, Mexico, and Argentina, with five Russian-led films apiece.

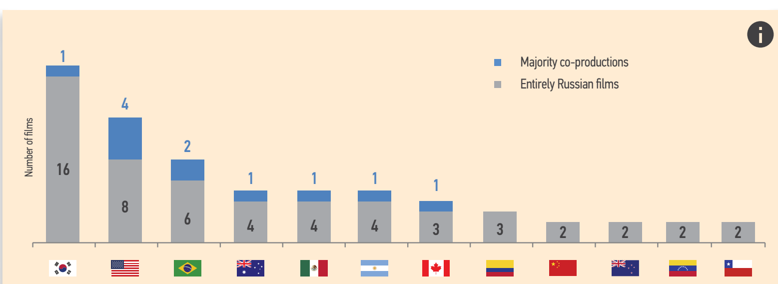
Russian films enjoyed the most popularity in South Korea, where *The Snow Queen* films have been a hit: the first film was watched by 276,000 people, while the second brought in audiences of over 600,000. The most successful film in China for which data is available was the disaster film *Metro*.[27] The two *Snow Queen* films also enjoyed success in Brazil, whereas the top films in the past few years for the USA were the dramas *Leviathan* and *Stalingrad* (with over 100,000 viewers).

We can see that Russia's biggest international hits were animated films produced by Wizart and Andrey Zvyagintsev's social drama *Leviathan*, which became the top Russian film in 9 out of 12 non-European markets. As a whole, domestic films tap into the global scene much less frequently compared to the European market.

[27] Between 2010 and 2016, Chinese cinemas showed such Russian films as *Black Lightning* (15.07.2010), *Fortress of War* (16.03.2012), *August. Eighth* (13.09.2013), *Stalingrad* (31.10.2013), *Metro* (10.01.2014), *The Snow Queen* (03.08.2015), *The Dawns Here Are Quiet* (25.08.2015), *Quackerz* (15.07.2016), and *He's a Dragon* (19.08.2016).

Figure 19. Number of Russian-led films produced in 2010–2014 and released outside Europe and the CIS (2011-2015)

Source: comScore



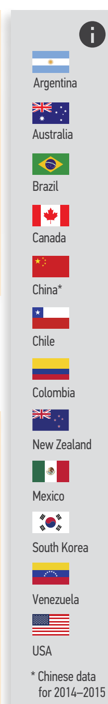
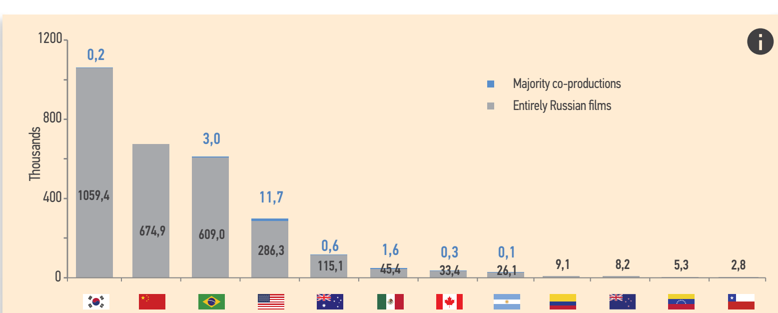


Figure 20. Attendance for Russian-led films produced in 2010-2014 and released outside Europe and the CIS (2011-2015)

Source: comScore



2.3.6. Ratings of Russian films in distribution abroad

For the 48 countries evaluated, five films counted among Russia's most popular in more than three countries: *Leviathan* was the most successful film in 17 countries, *The Snow Queen* topped the charts in four, and its sequel in six, while *Space Dogs* and *Six Degrees of Celebration 3* were both top in three countries.

Seventeen of the 20 top Russian-led films for 2010–2015 garnered over 500,000 admissions in countries for which box office data was analysed.

Table 26. The top 20 most popular Russian-led films released abroad by admissions in 2010-2015

Sources: LUMIERE, comScore, Film Business Today Magazine, Nevafilm *Research*

No.	Title	Year of production	Country of production	Total admissions recorded abroad
1	Snezhnaya koroleva 2: Perezamorozka [The Snow Queen 2: The Snow King]	2014	Russia	1,649,288
2	Snezhnaya koroleva [The Snow Queen]	2012	Russia	1,301,204
3	Viy [Forbidden Empire]	2014	Russia, Ukraine, Czech Republic	1,139,320
4	Stalingrad	2013	Russia	1,037,582
5	Yolki 3 [Six Degrees of Celebration 3]	2013	Russia	968,481
6	Lyubov v bolshom gorode 3 [No Love in the City 3]	2014	Russia, Ukraine	853,689
7	Metro	2013	Russia	844,545
8	Gorko! [Kiss Them All!]	2013	Russia	763,511
9	Leviafan [Leviathan]	2014	Russia	762,084
10	Sluzhebnyy roman. Nashe vremya [Office Romance: Our Time]	2011	Russia	696,237
11	Lyubov v bolshom gorode 2 [No Love in the City 2]	2010	Russia	690,183
12	Vysotsky. Spasibo, chto zhivoy [Vysotsky: Thank God I'm Alive]	2011	Russia	689,612
13	Tri bogatyrya na dalnikh beregakh [Three Heroes on Distant Shores]	2012	Russia	682,969
14	Yolki 2 [Six Degrees of Celebration 2]	2011	Russia	603,276
15	8 pervykh svidaniy [8 First Dates]	2012	Russia	541,495
16	Rzhevskiy protiv Napoleona [Rzhevskiy vs. Napoleon]	2012	Russia, Ukraine, USA	531,378
17	Yolki [Six Degrees of Celebration]	2010	Russia	513,714
18	O chem eshche govoryat muzhchiny [What Else Men Talk About]	2011	Russia	487,000
19	Tri bogatyrya: khod konem [Three Bogatyrs. Knight's Move]	2014	Russia	470,578
20	Ivan Tsarevich i Seryy Volk 2 [Ivan Tsarevich & the Grey Wolf 2]	2013	Russia	460,581

2.3.7. Conclusions and the future of Russian film exports

Ukraine and the USA remain the countries supplying the largest audiences for films shot with Russian participation. However, while in North America this figure owes much to Russian minority co-productions, Russian-led projects are the main market component in the CIS and in countries newer to cooperation, such as South Korea and China.

Taken together, cinema attendance in three key neighbouring nations – Ukraine, Kazakhstan, and Belarus – amounts to about 20% of domestic attendance. At their most successful, domestic producers sold up to the equivalent of 19% of the tickets sold in Russia in these three countries. Due to the decline in the Ukrainian market over the past two years (from 12% relative to the Russian figures in 2012 down to just 5% in 2015), the Russian film market in the former Soviet republics has dropped to just 10% of domestic levels. Nevertheless, that is still three quarters of the total attendance figures for Russian cinema abroad.

The second most significant region for Russian producers is Europe, attracting a further 10–15% in foreign admissions. European distribution of Russian films can be divided into two categories: commercial films released in regions which are more culturally aligned with Russia (such as the Baltic countries, Eastern Europe, and Turkey) and art-houset films released in Western Europe, especially in France.

Other global markets rack up another 10% on top of Russian attendance figures. Here, Russian animated films are making inroads. Wherever *The Snow Queen* series has been released, it always comes in ahead of other Russian (primarily arthouse) films by a wide margin. It should be noted that the data available for China shows the significant appeal of this market (two Russian films released in China account for 3% of all known foreign attendance); however, given the size of the market, the popularity of Russian films appears very modest by Chinese standards.

Finally, we should note that China and the Asian region as a whole, along with the Middle East, must now be considered as among the main areas for sales of Russian animated films and high-budget feature films. An increasing level of interest has been shown by Russian producers in American markets, both North and South. There is also a traditional business interest in Europe. Russia, represented by Roskino (with the support of the Ministry of Culture and the Cinema Fund) was featured at nine international film markets in 2015, including the EFM in Berlin; FILMART in Hong Kong; MIPTV, the Marché du Film, and MIPCOM in Cannes; the SIFF Market in Shanghai; the Toronto film market; the AFM in Santa Monica; and MIP Cancun in Mexico.

The best-selling Russian films were: *Kikoriki: Legend of the Golden Dragon,* sold to distributors in 12 countries across the Middle East and former Yugoslavia, *The Snow Queen 2: The Snow King* (released in the USA, China, and Japan), *Queen of Spades: The Dark Rite* (sold to distributors in Asian countries, including Vietnam, Cambodia, Laos, Myanmar, and South Korea), *Flight Crew* (sold to distributors in the Middle East and Asia, including China, Japan, Egypt, the UAE, and Lebanon), *He's a Dragon* (released in Europe, China, and Japan), *The Dawns Here Are Quiet* (Europe and South Korea), *Sheep and Wolves* (Europe and China), *Quackerz* (USA), and *Mafia: Survival Game* (China). A number of films still in production have also been sold: *Anyone But Them, Attraction,* and *Guardians* attracted distribution deals from China, and Icebreaker and *Dance to Death* were taken up by French distributors.

This shows a clear intensification of export activities by Russian producers, aimed at new regions where domestic films have not previously been screened or have enjoyed limited popularity. This is mirrored by a decline in the traditionally close CIS markets.

2.4. The import of European films into the CIS (excluding Ukraine)

2.4.1. Research methods

The import of European films was analysed using data from all available sources, including *Film Business Today Magazine* and *Booker's Bulletin,* the comScore database and the Unified Automated Information System (UAIS), as well as information obtained from distributors by Nevafilm experts. Since the majority of distributors operating in the CIS have not supplied separate data for Russia until recently, we are using admission figures for the entire CIS, with the exception of Ukraine. A number of Russian companies do not operate in certain countries (for example, Caro Premier does not represent the interests of Warner Bros in Kazakhstan, where the Ukrainian-Kazakhstani company Sulpak–Interfilm has this role, etc.). Consequently, there are some inconsistencies in the CIS statistics, however more accurate data is not currently available.

The period under review is 2011–2015; the figures reflect all films in distribution, regardless of when they were produced.

The country of production has been determined using the European Audiovisual Observatory's LUMIERE database. The country of production for jointly produced films is considered to be the country listed first. 'Incoming financing' includes films financed primarily by a company registered in Europe and partly or fully owned or controlled by a non-European company (in practice, a Hollywood studio), according to the LUMIERE database.

The following method is used to determine the region of production: films co-produced with Russia are counted as Russian; films produced by at least one European country without Russia's participation are counted as European; films produced by the USA or Canada without the participation of Russia or any European countries are counted as North American; and the rest are counted as produced by another country.

2.4.2. Film distribution figures, by region of production

European films traditionally account for 32–40% of new releases in distribution in the CIS (excluding Ukraine), with North American productions as their primary competition. In 2015, however, the number of Russian releases increased dramatically, pushing aside European films distributed in the CIS.

At the same time, the popularity of European productions among Russian audiences increased in 2015, attracting an unprecedented 24% of attendance. This increase was driven by the decreasing popularity of North American films combined with the stable popularity of domestic releases and decreasing popularity of productions from Asia.

We can conclude that what we are observing is a decline in performance on the part of an increasing number of Russian films: in 2015, the proportion of Russian releases increased from 19% to 26%, while the share of total attendance figures for these films fell from 18% to 17%. Films from other countries outside Europe and North America are also falling in popularity: the proportion of such releases on domestic screens fell, from 7% to 6%, as did their share of attendance figures, from 0.8% to

0.6%. Only European producers have enjoyed stronger positions: although the proportion of European films in domestic distribution fell from 39% to 32%, their share of attendance figures leapt from 19% to 24%.

2.4.3. Popularity of European films, by country of origin

With regard to the distribution of European films in Russia, a total of 33 countries acted as majority co-producer on at least one film distributed in the CIS (excluding Ukraine) between 2011 and 2015. France leads the pack with 184 films released in Russia during this period; however, a twofold increase in the number of French films (from 26 in 2011 to 51 in 2014) was followed by a twofold decrease in 2015, when only 25 French films were released in Russia. Other countries of note are the UK (95 releases in five years), Germany (58 releases), and Spain (54 releases). Among non-EU European countries, Norway leads with at least three films distributed each year in the CIS (excluding Ukraine), followed by Ukraine with one to three releases.

French films also lead attendance figures in the CIS, with a total of 19.6 million viewers over the five years examined in the study. Second place belongs to incoming financing: 31 films shot in Europe with Hollywood money were seen by 17.4 million viewers in the CIS (excluding Ukraine). British productions are in third place with 9.5 million viewers. Among non-EU European countries, Belarus leads with 403,000 viewers, although one film accounts for the overwhelming majority of these: *Happy Women's Day, Men!*, which was co-produced with Russia. Switzerland and Norway follow with 380,000 viewers each.

Figure 21. Releases distributed in the CIS (excluding Ukraine) in 2011–2015, by region of production

Sources: Film Business Today Magazine, Booker's Bulletin UAIS, comScore, Nevafilm *Research*

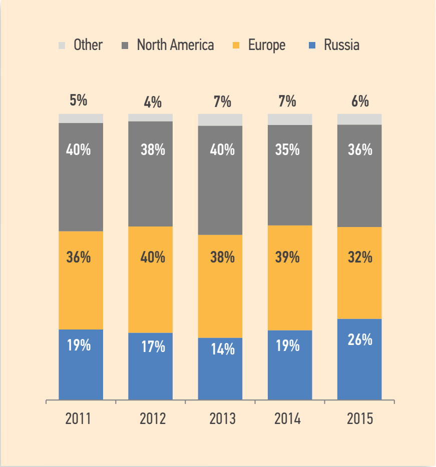


Figure 22. Attendance for films distributed in the CIS (excluding Ukraine) in 2011–2015, by region of production

Sources: Film Business Today Magazine, Booker's Bulletin UAIS, comScore, Nevafilm *Research*

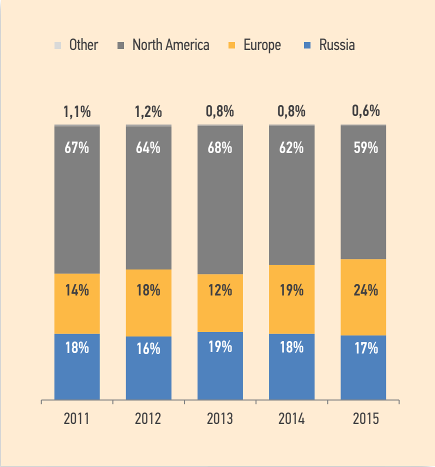


Table 27. Number of European releases distributed in the CIS (excluding Ukraine) in 2011–2015

Sources: Film Business Today Magazine, Booker's Bulletin,UAIS, comScore, Nevafilm *Research*

Country	2011	2012	2013	2014	2015	Total for the period
France	26	42	40	51	25	**184**
United Kingdom	18	24	24	15	14	**95**
Germany	10	10	16	13	9	**58**
Spain	8	14	18	8	6	**54**
Italy	5	6	5	6	9	**31**
Denmark	4	3	4	7		**18**
Belgium	2	3	1	5	3	**14**
Sweden	2	3	2	4	2	**13**
Netherlands		2	4	1	3	**10**
Finland		4	2	1	1	**8**
Ireland	1	3		1	1	**6**
Austria		2	2	1		**5**
Romania		2		1		**3**
Poland	1		2			**3**
Bulgaria	1			1		**2**
Czech Republic		1			1	**2**
Hungary		1			1	**2**
Estonia			1			**1**
Greece					1	**1**
Portugal		1				**1**
Croatia				1		**1**
Latvia				1		**1**
EU-28	**78**	**121**	**121**	**117**	**76**	**513**
Norway		4	3	3	3	**13**
Ukraine	1	2	2	3	1	**9**
Switzerland	3	1		2		**6**
Armenia			1		3	**4**
Iceland		1	1	1		**3**
Turkey		1	1	1		**3**
Luxembourg		1	1			**2**
Georgia			1		1	**2**
Serbia		1		1		**2**
Belarus			1	1		**2**
Bosnia and Herzegovina		1				**1**
Other European countries	**4**	**12**	**11**	**12**	**8**	**46**
Incoming financing	10	6	4	3	8	**31**
TOTAL	**92**	**139**	**136**	**132**	**92**	**590**

Table 28. Admissions for European films distributed in the CIS (excluding Ukraine) in 2011–2015, in thousands

Sources: Film Business Today Magazine, Booker's Bulletin, UAIS, comScore, Nevafilm *Research*

Country	2011	2012	2013	2014	2015	Total for the period
France	900.9	6,805.3	1,180.0	7,222.2	3,540.1	**19,648.5**
United Kingdom	4,280.9	4,949.6	3,092.0	487.6	2,602.4	**15,412.5**
Germany	1,637.7	4,352.7	539.6	2,173.9	839.5	**9,543.3**
Spain	347.6	1,431.2	1,093.5	114.1	73.5	**3,059.9**
Belgium	252.5	458.7	1.7	1,038.3	127.6	**1,878.8**
Italy	184.9	18.7	795.2	507.0	275.6	**1,781.5**
Denmark	230.3	20.5	56.0	386.1	0.1	**693.0**
Ireland	50.0	313.9	0.3	27.2	11.4	**402.7**
Finland	0.1	203.7	15.1	0.5	73.4	**292.8**
Bulgaria	9.0			215.5		**224.5**
Czech Republic		1.1			167.8	**168.9**
Netherlands		3.7	79.8	28.7	20.1	**132.3**
Romania		23.9		52.1		**76.0**
Sweden	12.0	6.2	0.6	19.7	20.0	**58.5**
Austria		9.5	7.9	1.7		**19.1**
Poland	0.6		4.4			**5.1**
Hungary		1.6			3.3	**5.0**
Estonia			4.8			**4.8**
Greece					3.3	**3.3**
Portugal		1.1				**1.1**
Croatia				0.4		**0.4**
Latvia				0.2		**0.2**
EU-28	**7,906.4**	**18,601.5**	**6,870.9**	**12,275.2**	**7,758.1**	**53,412.2**
Belarus			4.9	399.0		**403.9**
Switzerland	75.2	2.7		303.9		**381.7**
Norway		37.1	267.9	31.6	44.7	**381.3**
Iceland		79.0	0.1	0.5		**79.6**
Ukraine	1.7	0.5	20.1	25.1	5.1	**52.5**
Luxembourg		26.5	0.3			**26.8**
Turkey		2.0	0.5	5.0		**7.5**
Georgia			1.9		4.4	**6.3**
Armenia			1.3		4.4	**5.7**
Serbia		1.6		0.6		**2.2**
Bosnia and Herzegovina		1.3				**1.3**
Other European countries	**76.9**	**150.7**	**297.0**	**765.7**	**58.5**	**1,348.9**
Incoming financing	7,374.9	1,454.0	1,153.1	485.5	6,955.1	**17,422.6**
TOTAL	**15,358.3**	**20,206.2**	**8,321.0**	**13,526.4**	**14,771.7**	**72,183.7**

QUANTITATIVE RESEARCH CONCLUSIONS

The following conclusions can be drawn from our quantitative study of film production and co-production in Russia, and of the export of Russian films abroad.

First of all, film production in Russia is concentrated in Moscow, and focuses first and foremost on the domestic market, of which the former Soviet republics, where large Russian-speaking communities reside, are considered a part.

Second, film production volumes have significantly increased in recent years thanks to the Cinema Fund's activities. That same institution also managed to achieve an increase in the number of joint projects, thanks to the work of its International Department in 2011–2013; however, the dissolution of that department (as well as the absence of a clear state policy on international cooperation in film production) had a negative impact on collaboration between Russian producers and foreign partners.

Another negative factor in terms of expanding the practice of co-production was the deterioration of relations with the West in 2014 and the subsequent economic and currency crisis in Russia. However, the international political crisis had no noticeable effect on film industry ties between Russia and the CIS (excluding Ukraine).

On the other hand, in this time of economic crisis, it has become increasingly evident that the domestic market is not sufficient for Russian film producers. The domestic market is not big enough to make films profitable in theatrical distribution, which is also true for countries other than Russia (increased activity by companies distributing European films in the CIS can be seen as evidence of that fact; in 2016, unprecedented numbers of such companies requested support from Eurimages). Consequently, domestic producers are not increasing their film budgets as measured in roubles, and they are also looking for ways to expand their market through television (all the big production companies sell their films to television channels, including by preparing for parallel distribution of multi-episode film series and by making television films and series). However, television channels have also felt the effects of the crisis, and so the price of TV content has been constantly falling.

One new problem for Russian producers in 2014 was the shrinking of the market in the post-Soviet space due to the loss of the Ukrainian film market. In spring 2016, Ukraine completely banned the showing of new Russian films on television, and there is strict censorship of Russian films in theatrical distribution. Consistent interest in Russian cinema in Kazakhstan and a growing market in Belarus have not compensated for that loss.

In an attempt to increase earnings, Russian producers are investing in English-language American projects which have the potential for wide international distribution, including in the USA. Territories that have recently captured the attention of Russian exporters include Asia and the Middle East, where Russian animated films and high-budget, high-production-value projects are popular.

At the same time, Europe remains Russia's traditional partner, and its most frequent partner in producing director-led films, which see the most success when exported to France. The Baltic countries stand out among other territories as the main European market for Russian commercial films.

Interestingly, there is no evident symmetry when it comes to Russian distribution of European films, which account for 32–40% of releases and attract 12–24% of Russian cinemagoers. Among the most popular films, those made in France, the UK, and Germany predominate. Films from the former Soviet Union, on the other hand, are released extremely rarely in Russia (with the exception of co-productions with Ukraine, Kazakhstan, and Belarus).

3. QUALITATIVE ANALYSIS

3.1. Research methods

As illustrated by the results of the quantitative research described in previous chapters, Russia cannot boast satisfactory results in joint film production and sales of domestically produced films abroad. So, why, given that it is formally an equal partner in international relations, is Russia so inactive when it comes to co-production and exporting domestic films to the international market? From the point of view of sociological research methods, in order to fully lay bare this issue, it is necessary to consider it from various perspectives (for example, Russian and non-Russian points of view) and to approach it from different starting points (for example, cinemagoers, critics, or other professionals). In this qualitative research, however, the focus of study is specifically the Russian market, and the aim is to consider the attitude of industry players not only towards international co-producing and the export of domestic films, in particular, but also towards current international activity in the film industry in general. Therefore, as domestic film industry professionals, Russian producers were the focus of this research, since they are the ones who, to a large extent, understand and shape the position of Russian cinema on the international stage.

Our sample consisted of 22 active Russian producers of various ages and levels of experience and two members of international organisations with direct involvement in Russia's participation in the global film industry: Eurimages and UniFrance (see Table 29).

Table 29. List of study participants

No.	Participant	Studio / Organisation	City	Main type of film-related activities
1	Sarik Andreasyan	Enjoy Movies	Moscow	Feature films, commercial cinema
2	Roman Borisevich	Koktebel	Moscow	Feature films, independent cinema
3	Joël Chapron	UniFrance; expert in Central and Eastern European cinema and consultant to the Cannes and Locarno film festival selection committees	Paris	Support for the French film industry
4	Sergey Chliyants	Pygmalion Production	Moscow	Feature films, independent and commercial cinema
5	Renat Davletyarov	Real-Dakota, Interfest, President of the Producers' Guild of Russia	Moscow	Feature films, commercial cinema
6	Leonid Demchenko	Ministry of Culture of the Russian Federation, Russia's national representative to the Eurimages Board of Management	Moscow	Support for the Russian film industry
7	Ruben Dishdishian	Mars Media Entertainment	Moscow	Feature films, commercial and independent cinema
8	Natalya Drozd	CTB, Point of View Film Fund	St. Petersburg	Feature films, independent cinema
9	Pavel Frolov	More	St. Petersburg	Feature films, independent cinema
10	Alexander Gerasimov	Master-Film	Moscow	Animated films
11	Elena Glikman	Telesto Film Co.	Moscow	Feature films, independent cinema
12	Giya Lordkipanidze	2PLAN2	Moscow	Feature films, independent cinema
13	Angelina Miroshnichenko	Ostrov Studio	Moscow	Documentaries
14	Natalya Mokritskaya	New People	Moscow	Feature films, independent cinema

Table 29 continued

No.	Participant	Studio / Organisation	City	Main type of film-related activities
15	Angelina Nikonova	2morrow Film School	Moscow	Feature films, independent cinema, educational activities
16	Yuri Obukhov	Karo Production	Moscow	Feature films
17	Pavel Odynin	Mars Media Entertainment	Moscow	Feature films, commercial and independent cinema
18	Gulfiya Sharipova	KinoMaK; MacGuffin Film Academy, Ufa	Ufa	Feature films, independent cinema, educational activities
19	Mikhail Sinev	SVOI 2000, Passenger Studio	Moscow	Feature films, independent cinema, documentaries, TV films
20	Marianna Skrybykina	ART Doydu	Yakutsk	Feature films, independent cinema
21	Elena Stepanishcheva	Chapulla Bay	Moscow	Feature films, independent cinema
22	Igor Tolstunov	Igor Tolstunov's Production Company, board member of the Producers' Guild of Russia	Moscow	Feature films, TV films
23	Elena Yatsura	In Motion	Moscow	Feature films, independent and commercial cinema
24	Sergey Zernov	Gorky Film Studio	Moscow	Feature films, documentaries, animated films

Based on the set of issues examined and the hypotheses put forward, we crafted a list of questions that served as the starting point for in-depth interviews. The questions were adjusted to fit each producer's specific area of activity and professional experience.

By examining and analysing the situation through the eyes of a vital cross-section of Russia's film industry, we produced this chapter, which reads as a sort of virtual roundtable involving all the producers interviewed for the study.

The chapter is divided into five sections that range from 'internal' (micro) to 'external' (macro) analysis, starting with the individual and professional issues that prevent Russian producers from engaging in international cooperation, and ending with such external factors as politics and the preconceived notions that countries have about one another. Section 3.2 focuses on **actual participation** of Russian producers in the global film industry. It examines how individual respondents understand the concept of international co-production, considers the main motivation behind a given producer's decision to seek financing on the global market, and explores how producers position themselves on that market. Section 3.3 examines the **professional** aspect of our analysis of the interviews: it deals directly with the producer's skill set and shortcomings, including a lack of legal competence. Section 3.4 discusses the **internal political and economic** side of the issue, turning the spotlight towards the domestic market and the advantages that an international reach offers Russian producers. It also focuses on Russia's domestic policies and state support for international projects. The **external political and economic** aspect is the subject of Section 3.5, which focuses on Russia's image as a player on the global stage, and in particular on how Russian and foreign partners see each other when working together. The section also raises the issue of the financial risks faced by foreign co-producers and film distributors working with the Russian film industry. Section 3.6 moves on to a **sociocultural** analysis of international cooperation as the engine of cultural dialogue. It considers discrepancies between different mentalities and the expectations foreign audiences have in terms of subject matter and quality: expectations which play a crucial role in the global market. The section also discusses the role played by various international organisations in shaping professional dialogue between the Russian film industry and foreign film industries. The report ends with some conclusions based on our analysis.

3.2. Current state of Russia's involvement in the global film industry

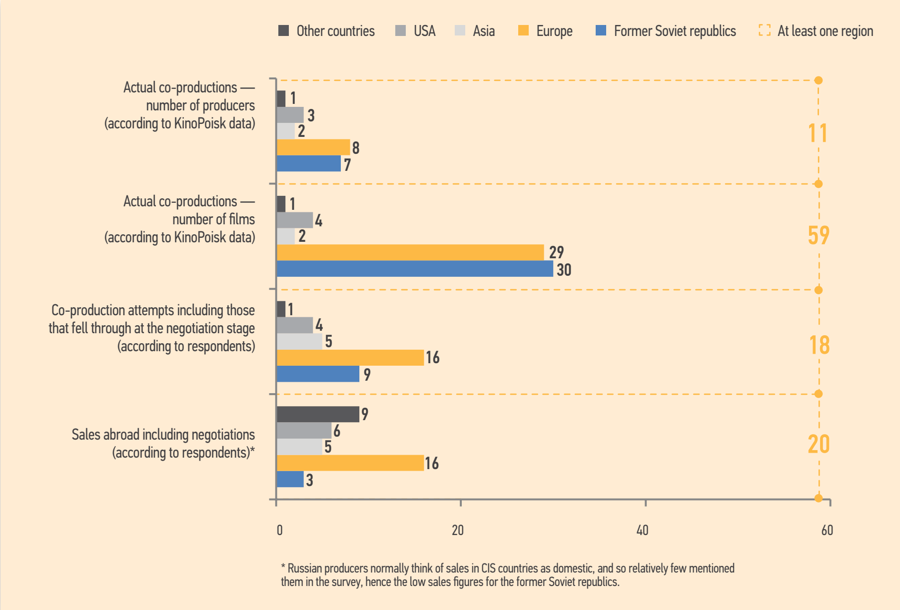
This section examines the geographical areas in which our respondents are engaging in international cooperation, how Russian producers understand and apply the concept of co-production, which forms of it they practice, and how they search for partners and sell their projects on the global market.

3.2.1. The geography of international cooperation: Russian producers

It should first be mentioned that the online resource KinoPoisk indicates that half of the study participants have had experience with co-productions; while according to the respondents themselves, 80% have made attempts (successful or otherwise) at co-production with foreign partners, and 90% sell or offer their films for sale abroad.

The most frequent partners for Russian producers hail from the former Soviet Union or Europe: of the 59 co-productions released by those surveyed, 30 involved post-Soviet countries (such as Ukraine, Kazakhstan, Belarus, or Uzbekistan), and 29 involved European countries. Most producers work in these areas: seven have real experience of co-production with former Soviet republics, and eight with Europe. In the interviews, 16 producers also mentioned attempts to cooperate with European countries, and nine with countries that were once part of the USSR. Europe was most frequently mentioned in terms of sales abroad (16 producers), while only three mentioned sales to former Soviet republics, although this may be put down to the perception of Russia and the CIS as a single

Figure 23. Participation of the Russian producers surveyed in international activities



* Russian producers normally think of sales in CIS countries as domestic, and so relatively few mentioned them in the survey, hence the low sales figures for the former Soviet republics.

market (see Section 2.3.3. The markets of the CIS: Ukraine, Kazakhstan, Belarus).

In our sample, the USA currently stands third in terms of the number of actual co-productions. Three producers have had experience of working with the USA, according to KinoPoisk, releasing four films. In the interviews, four respondents mentioned attempts to cooperate with American co-producers, while six mentioned sales to the USA.

Finally, according to KinoPoisk data, Asia remains a rare production partner for Russia, with only two films by two of the survey participants having been co-produced with Asian countries, like China and Japan. However, this area came up frequently in the interviews, with five producers discussing attempts and plans to co-produce with Asian countries (especially China). The same number expressed interest in marketing their films in the region (three of which were among those seeking co-production partners there).

Other regions[28] interested producers more in terms of sales than co-production.

3.2.2. What is co-production and what do producers get out of it?

We can illustrate how the average Russian producer understands the concept of co-production with a statement made by Koktebel producer Roman Borisevich:

"This is what co-production looks like today. Normally, three countries pitch in. They get money from specialist funds, and maybe also support from Eurimages. Each country has to fulfil a certain set of conditions to satisfy these funds: the film must have elements of the country's culture, and actors and cinematographers from the country... The creative team and the screenplay must have these national elements, or the film must pour money into the local economy. Each fund and each producer has a different set of conditions for participating in a co-production."

However, while respondents understand the basic principles and factors involved in co-production, not all of them were able to define a real co-production or distinguish between official and unofficial and between minority and majority co-productions. Russia's national representative to the Eurimages Board of Management Leonid Demchenko notes:

"The Ministry of Culture considers only official co-productions filmed under the European Convention or other international agreements, since these are the only projects eligible for state financing from the Ministry. Unofficial co-productions can also happen, but international statistics traditionally draw on the data officially recognised by the appropriate government agencies. In some cases, producers mistakenly classify their project as a co-production simply because they relied on foreign partners for certain types of work. In addition, some websites attribute a given project to several countries, but further research shows that producers had simply cast, say, a French actress, and it was never a co-production at all."

UniFrance representative Joël Chapron clarified this statement further:

"Official co-productions are made with the support of organisations like the CNC, the Ministry of Culture, and so on, which provide official confirmation of the project's transnational nature. But when producers simply make a private deal, and their project is not included in the official statistics produced by these organisations, it is possible that no one even knows about this co-production, so we do not consider it a transnational project."

[28] Note that where producers mentioned foreign cooperation without citing specific partner countries, this was attributed to 'other countries'.

Most of the producers who took part in our study, however, spoke about their past international experience, or at least about their attempts to find foreign partners. When we asked our respondents what co-production meant to them, the overwhelming majority of producers pointed to two main driving motivations: **higher budgets** and a **chance to enter the global market** and expand the geographical reach of their film. Natalya Drozd fleshed out these motivations in more detail than anyone else:

"Of course, when it comes to major co-productions, this has undoubtedly been an additional source of financing, particularly in the last 18 months to two years as the euro has risen. Naturally, European funds have become a very tempting source of financing in euros. It also offers slightly more access to international markets and slightly more access to festivals. Co-productions certainly generate exponentially more of what we call a 'buzz' around a project: more participants means that more people are talking about it and more people will remember it. But in general, the motivation is, of course, access to festivals and markets, since Russia might as well be a different planet."

Angelina Miroshnichenko agrees with her colleague:

"For me, co-production is, above all, a ticket to the global market. I always tell my students that their main goal is to try to get onto the global stage so that they can make proper films. Because if you are always stuck inside your own institutions or your own tunnel, you have no basis for comparison and no ability to compete. You were late before you even started."

Still, major motives like additional financing and access to the global market are not the only factors that drive producers' choices: some are purely practical concerns. Here are some sample responses along these lines:

"We were making a film about Russian workers who spent seven years building a space centre in French Guiana. When we launched our project, we immediately realised we needed a French partner, because when you come to a foreign country, many doors are closed to you. We found a French partner straight away, who brought resources and connections, which helped us get permits and access to all the sites." (Angelina Miroshnichenko, documentary filmmaker, Ostrov Studio)

"On top of everything else, co-production gives you the chance to cast actors in their forties. Russia has almost no actors in that age group. We have some interesting young actors and some great older ones, but none in their forties." (Elena Yatsura)

"...The thing is, my opinion of Russian audio is very low right now. I don't like our most celebrated sound designers. Sometimes there is nothing, not a thing, to hear in Russian films – I am referring to auteur films specifically. I once worked with some German professionals who had a completely different ethic, and I decided to work exclusively with German and French sound designers. So we did it as a co-production specifically in order to improve sound quality. That's how the co-production worked, and we benefited from it." (Natalya Mokritskaya, New People).

Some Russian producers also noted the crucial role that international cooperation plays in shaping their professional reputations and adding high-quality work to their filmographies.

Producers who do not work on co-productions and have no intention of doing so (30% of respondents) tell us they simply do not see the need for it. The reason behind this is not so much that, for example, they find the domestic market sufficient (this and other reasons will be discussed in the following sections), but that the main objective of their project, and most importantly the screenplay, is tailored exclusively to a Russian audience right from the start. 2Plan2 producer Giya Lordkipanidze explains:

"Decisions should always be based on the material. To be a true co-production, rather than just a project financed with money collected from different places, the film must have some sort of unifying idea and a foreign element. Our [Russian] films mostly have a domestic focus. They were all born here; they emerged from our stories; and there was no artistic or practical need for a co-production."

Many respondents mentioned this objective component, stressing that despite the perennial lack of funds and the desire to expand the reach of Russian films, the screenplay should be the determining factor behind the decision to create a co-production.

It must also be noted here that attitudes towards co-productions are drastically different in Russia's provinces, for no other reason than that people there are simply not familiar with the concept. Gulfiya Sharipova, who curates educational programmes in Ufa, says:

"When I mention co-production in Ufa, not one person can tell me what it is. They don't have the slightest idea. I have to thank CultBureau, where I ended up: they organised a Skype conference with Anna Tkachkulia, who currently works in Berlin, and she broke everything down into steps. They also, by the way, invited an attorney from CTB and the producer Natalya Drozd to come and visit us, and they showed us the entire process, starting with the idea, complete with budget estimates and documentation. They pointed out all the challenges people encounter along the way. They pretty much pre-chewed the information and spoon-fed it to us... But as far as co-production is concerned, we don't really have the same concept of producing in the provinces. We have directors, we have excellent cinematographers, we have editors: they have mastered their craft. But as for organisers who can put the whole thing together from start to finish, we don't have anyone like that. So I don't even mention the word 'co-production', because I know it's a quagmire. I'll say it, and it will simply fade away like an echo."

3.2.3. How do Russian producers find partners for their co-production projects?

According to the interviews we conducted with our study participants, Russian producers travel to various festivals and film markets in Cannes and Berlin to search for partners. The majority of respondents find partners (or partners find them) at various international pitching sessions and seminars (workshops). A few respondents have been awarded various creative residencies,[29] and a handful said that they found potential co-production partners through the B'EST (Baltic Bridge East by West) training programme offered as part of the EAVE (European Audiovisual Entrepreneurs) professional workshop cycle.

[29] For instance, the Berlinale Residency, the DAAD Berlin Artists-in-Residence programme (BKP), Fabrica in Treviso, etc.

Judging by the disappointing personal experiences of our respondents, the majority of these activities produce no results. Only a small minority of respondents had succeeded in finding partners through these channels.

Still, the majority of respondents believe that communication is the key to finding partners and putting together a co-production. Natalya Drozd, who has extensive international film industry experience, put it like this:

"I travel abroad five or six times a year, though I don't keep a precise count. People know me, they know what I do. You have to be around. That's the only way. It's not that hard, it's very easy actually, to set up a meeting, or simply do some networking: go to cocktail parties, meet people over a glass of wine. That can be a great strategy. Many festivals host co-production markets and work-in-progress sections, or coming-soon sections. It makes sense to attend them with a finished product: you go to the festival, put your film on the map, find a sales agent. All these things make your job easier."

3.2.4. How do Russian partners sell their films?

The overwhelming majority of Russian producers use sales agents to sell their works. All producers aspire to sign a deal with a sales agent before showing their films at international festivals, since it is much harder to find an agent after the film has premiered at a festival. Virtually all Russian producers with past experience of selling films abroad understand the need for a sales agent. Angelina Nikonova comments on this issue:

"I love to experiment, so I wanted to see how international distribution would work without a sales agent. And I realised that it doesn't. Without a sales agent, you cannot sell your film to anyone. We contacted distributors in various countries. It's simply not done in this industry, that's what one has to understand: no one will buy a film without a sales agent. It doesn't work, because this industry is a world unto itself. Everyone knows everyone. You can't just have drop-ins coming in from the street."

Producers also communicate directly with distributors, often opting for small European companies so that their film "doesn't get lost in the catalogue". Some even choose to sell their films through Russian distributors operating on the international market. Joël Chapron offers a critique of this strategy:

"Yes, there are currently two or three companies in Russia that are trying to play the part of international sales agents. So far they've been having difficulties. They work with unknowns, and selling a film by an unknown director is particularly difficult, especially if it hasn't been accepted by a major festival. I can therefore understand Russian producers who turn to people with experience, with long-standing connections in Cannes and Berlin, who know who to talk to. These are professionals who are constantly going to festivals all around the world and know the market like the back of their hand."

Producers describe their experiences with distributing Russian films abroad in much the same terms. The following sections will examine the internal factors and challenges that hinder or completely obstruct the international efforts of Russian producers, according to our respondents.

3.3. The challenges of international reach: the professional aspect

Any critical look must first be directed inward. The Russian producers who took part in the study analysed their own failings, which are preventing them from stepping onto the global stage or driving them to reject the very idea of international collaboration.

3.3.1. Language

Naturally, insufficient knowledge of English topped virtually every respondent's list. Producers believe that interpersonal communication in English is one of the key factors behind successful negotiations. Giya Lordkipanidze explains:

"Yes, inability to speak the language is a problem. A co-production must be collaborative in spirit. If you don't speak the language at all, you'll have trouble operating on this playing field, even with a dozen excellent interpreters. After all, language is a reflection of intellect, a reflection of one's mentality. That's something you have to feel."

Producer Sarik Andreasyan, who stays in frequent contact with his American partners, shared his personal experience:

"Aleksandr Akopov told the following joke. Somebody asked him how he had managed to swing a deal with Sony ten years ago. And he said, 'I was simply the only one who spoke English.' It's probably true. I have a hard time communicating with Americans directly. It doesn't even occur to them that you might not speak the language. They were born and raised in a frame of reference where everyone is expected to know their language."

It should be noted that, judging by the interviews, the better a given producer speaks English, the more active he or she tends to be on the global market. Unfortunately, however, these active players account for only about 8% of respondents.

3.3.2. The producer's skill set

The profession of producer emerged relatively recently in Russia: after all, until the early 1990s the sole producer in the country was the state. As a result, people's understanding of the specific nature of this work is somewhat vague, even among Russian film industry professionals. Here is what some of the producers had to say:

"One of the problems with our industry is that sometimes the producer isn't really serving as a producer: it's unclear what he or she does. In the States, the producer is the person who finds investors, brings in money, finances the production, and releases the film. But the producer is not the production manager; the production manager is not the producer. In Russia, however, it's all got tangled up. So sometimes producers are, in effect, like Soviet production managers. They can't even sell a great idea. They can't pitch properly, can't introduce their project properly, can't explain its significance. The producer has to know how to do that. Promotion and sales take up a huge amount of professional energy." (Angelina Miroshnichenko, Ostrov Studio)

"Our jobs are clearly delineated between managers and makers. Some of our producers could be called makers, and some could be called film managers. Of course these functions intersect. Many producers have their own creative background. They are more in the filmmaker category, though some transition into management and don't get involved in the film's creative side at all." (Sergey Chliyants, Pygmalion Production)

In addition, many producers highlighted a lack of legal competence: this is a crucial element which often prevents them from initiating international collaboration, both in terms of co-production procedures and in terms of signing international distribution contracts. During the interviews, some respondents recalled cases when they or their colleagues had suffered great losses and professional disappointments due to a lack of legal understanding and badly-written contracts.

Although Russia's film industry has no tradition of having a school of producers and suffers from lapses in professional skills, and a vague understanding of the place producers play on the film market in general, some respondents noted that they and their colleagues are striving to promote their profession. They believe things will work out in the end, barring...

3.3.3. ...Inertia and lack of information

Some respondents admitted that inertia, so typical of the Russian mentality in general, is to blame for their lack of interest in international collaboration. Elena Glikman summarises her colleagues' position:

"Russia is hindered by the two Ilyiches: Vladimir Ilyich Lenin and Ilya Ilyich Oblomov. Oblomov [30] lives in all of us, without a doubt. Lenin can't do much more damage to us, but Oblomov lives on. Every time I consider a new path, I decide I should go further, dig deeper... and then I think to myself: this is going to be so hard. I'm sure many people who are moving towards co-production and towards distribution in the West have the same thoughts. It requires additional effort, a certain level of organisation, and a great deal of energy."

According to our respondents, this inertia is also behind another problem that plagues Russian producers: ignorance, and an unwillingness to master the complicated world of international co-production. Of the 75% of our respondents who operate internationally, only approximately 5% are interested in learning about international agreements, the programmes offered by various international funds, and Russia's participation in various international conventions. Moreover, this lack of drive to look for the necessary information shows up in other crucial areas. Joël Chapron offers his opinion on this issue:

"It's very important to communicate and to keep an eye on what's going on. You have to study every catalogue carefully: that way, when you, as a producer, like someone else's work, you can get a sense, an understanding of who is behind this work. Then you can turn around and convince this person to invest in your film, since you have similar tastes. People often ask me for, say, help finding a good French cinematographer. You can simply go and watch French films and decide as a director: 'I like this imagery; I want to work with this cinematographer.' Producers have to watch other people's movies and try to find others with a similar vision, a similar taste in films, or an interest in similar stories and plotlines. The Internet makes that really easy these days. And once you've found that specific person, I can always help put you in touch. But it's not my responsibility to find a co-production for someone."

Russia's national representative to the Eurimages Board of Management Leonid Demchenko adds:

"I get a lot of calls from producers who simply don't understand the nature of this process, even though it's been explained to them a hundred times. They think they can come to Eurimages with their own company, a Russian director, and a Russian producer,

[30] *Oblomov* is the second novel by Russian writer Ivan Goncharov, first published in 1859. Ilya Ilyich Oblomov is the central character of the novel, portrayed as the ultimate incarnation of the superfluous man, a symbolic character in nineteenth-century Russian literature. Oblomov is a young, generous nobleman who seems incapable of making important decisions or undertaking any significant actions.

and they don't need anything else. It never even occurs to them that they need at least one European partner. And the whole thing simply ends at that stage. But once they get a clear picture of the situation, I guess they don't have the motivation to keep going. Even projects that have a European element cannot find co-production partners."

Very few producers understand that "...you have to go and meet people to understand what's going on around you. You can't avoid it. You can't stay in Russia and wait for co-producers to show up, that would be pointless." (Natalya Drozd).

3.3.4. Rapport building and diplomacy as professional skills

One in five Russian producers interviewed for the study voiced concerns that co-production partners might interfere in their project, both creatively and from an organisational perspective. Some went on to explain that this interference further complicates the already difficult process of filmmaking, and what is more, makes it "unwatchable for audiences in all the countries of origin". Russian producers believe this, too, is behind the lack of motivation to work on the international stage. One opinion in particular may explain this concern on the part of producers:

"We are not flexible people. We don't know how to find common ground with people. We are forever playing the Russian bear. Only a few of us have been able to learn to negotiate with foreign partners and co-produce films with foreign companies. Knowing how to hear what people are saying to you is a particularly important skill. It doesn't mean others will dictate how you should make your film. But it does mean you have to put up with certain things from time to time. Instead of simply telling people to go to hell, you have to learn how to lead them towards what you want. This is professional diplomacy." (Angelina Miroshnichenko, Ostrov Studio)

Russian producers are aware of their own sociocultural isolation. Pavel Odynin, a producer with Mars Media Entertainment, notes:

"In principle, for the average European, we might as well be from a different planet. This is also true of film fund officials and producers. That's because our people don't learn anything, don't know anything. The average Russian filmmaker (and I'm not saying this is true of everyone) can't see past the end of his nose, doesn't read, and is not interested in the overall context of global and European cinema. As a result, they [foreign partners] have nothing to talk to us about."

However, the majority of respondents argue that this is not always the issue: unfortunately, it is extremely difficult, and often simply impossible, for a producer to process the entire volume of domestic and international information alone. No one can be in ten places at once. Some respondents admit that they understand this is a necessary trend. But too often they lack assistance, time, or energy, or prefer to focus on other professional priorities for the time being.

3.4. Russia's domestic film market from the perspective of international collaboration

Russian producers had a great deal to say about the pressing challenges facing the domestic film market. We will therefore set aside plenty of space in this section for their views. On the one hand, the current state of the Russian film industry pushes producers to consider co-production and international distribution. On the other hand, a wide range of factors stemming from the condition of the industry are largely preventing Russian films from staking a claim on the global stage.

Elena Glikman summarises the general mood and worldview of the Russian film industry:

"The domestic market alone is not enough. It's highly unstable, highly unpredictable, constantly shifting, and very isolated and conservative. The domestic market is geared towards the mainstream, the blockbuster. It has no idea what to do with something new. It almost never works. The domestic market has no stability and no unity. It is made up of mosaic pieces that no one has ever managed to put together into a whole picture, or let's say into a system."

The President of the Producers' Guild of Russia, Renat Davletyarov, was more critical in his statements:

"It's crucial that we all take a good look at ourselves in the mirror and realise that we are as weak as the Russian national football team."

We will therefore begin this section by addressing the factors that push, or even force, Russian cinema onto the global stage. These factors include problems with domestic distribution, low budgets and their impact on the quality of the finished product, the piracy that results from this, and so on. We will then move on to the internal hurdles that prevent filmmakers from taking that step.

3.4.1. The monetisation of Russian cinema on the domestic market

First and foremost, many respondents noted that Russian cinemas are oversaturated with American films, leaving no room for domestic productions. Renat Davletyarov goes on to say:

"Russia's film industry is still in its embryonic stage. If things don't change soon, there will be no reason to make Russian films other than as festival projects, because we cannot compete with Hollywood in our own country... A decade ago, you could still scramble to carve out your share of the market. But now, thanks to the complete and total takeover of those cinemas that have been built in Russia by foreign films, I don't think our industry has a chance. Not a chance. That's what is keeping it from being self-sufficient. It is drowning, grasping at straws, slipping away... It's a small, but proud industry... We have to do something, we have to let Russian film breathe a bit. Regular, average films need to stay on the screens for at least a few weeks. They need a good place in the cinemas."

Other Russian producers also pointed to problems with theatrical distribution:

"For us, the domestic market has shrunk down to the cinemas, since the TV networks don't want to pay big money. In other words, you can only count on meagre investment. Ukraine is no longer a viable market for us, for obvious reasons. That's it: all we have left is theatrical distribution. Meanwhile, the Internet isn't really up to speed yet... Once again, the audience doesn't have the money to go to the cinema. There is no system of support for our film industry, like there is in Europe. And we certainly don't have a highly developed theatrical distribution network. All these things are closely interconnected. You see, if the population is relatively well off, people have money for recreation, and they are immediately given a choice of where to spend it. But in our country, as you know, no one is given that choice because no one has much money to spend. That's the crux of all our problems." (Igor Tolstunov, producer)

"Theatrical distribution is a very specific field, and right now it's changing constantly. The culture of film consumption is changing. Many of us watch things online, and it's becoming harder for many people to go to the cinema and sit next to other people. Maybe, over time, the cinema experience will transform into a pure amusement park experience. Naturally, this is related to technological advancements. As a result, soon the entire theatrical distribution thing will be completely irrelevant as far as the art form of film is concerned. Right now we are in the middle of that transition. We can be sad about it, we can be philosophical, but the fact remains: technologies are evolving very quickly and are affecting the film business." (Angelina Nikonova, producer/director)

"I guess I'll end up distributing my film myself again. Here is a thought: what is a distributor? A distributor is a middleman. Middlemen take their share, but will they be invested in the film? Most likely they won't be, but they will still take their share of the 50% I get to keep from the box office. First of all, they won't be investing their imagination. They won't be inventive about it. They'll just send my film around to people: if it works, it works; if it doesn't, it doesn't. They get their share either way, whether it's a hundred roubles or a hundred thousand." (Pavel Frolov, first-time producer)

Secondary distribution platforms, such as television, come with their own set of problems. Producers often realise they cannot sell their film to a TV network; and more importantly, this move makes absolutely no sense from the perspective of the production budget. Angelina Miroshnichenko, a producer/director with Ostrov Studio, works with the documentary format which, by its very nature, gets no theatrical distribution and relies solely on TV networks. She explains:

"If you sell a documentary to a TV network, just so we know what we're talking about, Kultura TV, [31] for example, pays RUB 8,000 per hour of film. Of course, in the good old days, three or four years ago, there were cases when Rossiya TV [32] paid USD 10,000. But that was at the old exchange rate. In other words, production costs are not even in the same ballpark as the rates they offer."

Unfortunately, respondents note that other film monetisation platforms (video-on-demand, DVD, etc.) are not effective in Russia either. Serious problems with piracy mean that it does not make any commercial sense to release a film through legal online streaming services or on a disc. Naturally, nearly all producers stressed the need to instil better ethics in Russian audiences, to promote law-abiding viewing and a basic viewing culture. Sarik Andreasyan comments on the situation:

"Many people seem to think that films are some kind of charity. You just download it online and watch it. In other words, no one realises it costs money. You have to start with basic education, explain that not only is it intellectual property, but it also costs money. It has to work somehow. It costs RUB 99 to rent a film on iTunes, so if you would be so kind... The worst part is that I see this happening among younger people. Every single one of them: they love free stuff and they think everybody owes them something."

It is even harder for regional filmmakers to monetise their work. Producer Marianna Skrybykina from Yakutia certainly has some complaints:

"My last film, *Aiyy Uola*, was pirated, unfortunately. We could have collected more,

[31] Current name: Rossiya K.
[32] Current name: Rossiya 1.

so we went to court. After that, I decided not to release things on DVD. It will only be shown on streaming services, if they buy it. We are in talks with them right now. And we'll also work with TV. But no more DVDs. We are trying to train our people, who love free film and whatnot, to respect other people's labour, other people's work. We do spend a great deal of time on each film: it takes around two years."

Strangely enough, however, some were optimistic. Angelina Nikonova offers a different perspective on the issue:

"To be perfectly honest, I'd rather find out that lots of people have watched a pirated copy of my film online than see pretty posters for my film hanging outside cinemas. It is something that you can't control. People watch it, then more people watch it, then they write about it and recommend it to others... They promote it for you, and you can see that your work is needed. That's where everything is headed. Then advertisers will start getting interested. They'll get in touch directly, without any sales agents, and tell you: 'We want to pay you for your film because people are watching it.' And things will become more honest. They'll become clearer, more transparent. Once the commercial component is there, it will have its own system."

Russian producers believe the only type of film that can break even on the domestic distribution market is commercial cinema. But Russian commercial films have yet to earn an audience abroad, and are limited to the domestic market (see Section 3.6. The challenges of international collaboration: the sociocultural aspect). So where are producers supposed to find money for arthouse films that could go beyond capturing a small segment of the Russian audience and attract the interest of co-producers and international distributors? Igor Tolstunov shares his opinion:

"Arthouse cinema? Of course we have to support it. And we do, as much as we can. We can cry and cry some more about it, and waste our time repeating the sad old truism: you can't make a film without money, and we don't have any. It just isn't there. No one wants to finance us other than philanthropists and producers who are suddenly so taken with an idea that they are ready to dip into their own pocket. Some of us have been doing this for years. But we focus all our time on these films. When you start a project like that, you keep kicking yourself, because the outcome is clear: you're going to be in the red, and in times like these, there is nothing that will compensate for this. Back in the good old days – I'm talking about the last decade – we could use the growing television market, the growing television production industry, to balance the books. But today there is nothing which can compensate for our losses. So it's a really big question: how can the industry keep growing? Only with government money."

3.4.2. State support for the domestic film industry

All Russian producers understand the need for and importance of state financing in the film industry. What is more, many of them are extremely grateful to the government for this financial support:

"We must all have great respect for state support. No other government in the world puts so much money into the film industry. The USA, for example, has no Ministry of Culture handing out money for *Transformers* or *Terminator*, especially money you don't have to pay back. It's not like the government simply gives you free money so you can go and shoot your film. Europe has a big problem with state grants. They are very hard to get." (Angelina Miroshnichenko, Ostrov Studio)

No government in the world can finance every production: since the budget is always limited, a system of priorities is always in place to guide grant allocation. Roman Borisevich brings up the issue of the Russian selection system:

"It's about the films that are not expected to break even, that can't possibly break even. Those are the films that get state support in all civilised European countries. When I first entered the market, the government's priorities were focused on a different sphere: auteur films dealing with social issues. They tried not to finance other, more commercial, popular films. This trend was broken in around 2009, though, when the Russian Cinema Fund was reorganised, and now we have a model that's sort of backwards."

Some producers complain that this hierarchy of priorities goes beyond the commercial potential of a given project, to give preference to particular themes and subjects. This, unfortunately, leaves little room for young production companies. As a first-time producer who handled the production and distribution of his own film, Pavel Frolov views state support with something akin to fatalism:

"Speaking personally, we have virtually no chance of getting state support. In our country, state financing mainly goes to the same companies, at least when it comes to the Cinema Fund. But a company with no track record and nothing in the can has zero chance of getting any money, even with an excellent screenplay. It doesn't matter that this is the company's debut. And then there's all the running around, all the documents, commitment letters, and a million and a half in security payments... That's practically our entire budget. I didn't even bother. I figured it was a waste of time. And besides, the Ministry of Culture puts out a list of top-priority subjects: the war, and so on. We don't even have a screenplay that would fit those parameters. Sometimes it feels like people design their screenplays specifically to get the funding. But I simply don't have a story that would fit that subject matter. I'm very sceptical about state support. I just want to be independent, free to decide what I want to produce and how, which actors I want to cast, and what screenplay I want to write."

Some producers believe other areas should be just as high on the government's list of priorities as targeted, direct financing of film production. Angelina Nikonova, for example, thinks state support for professional film training is at the heart of it all:

"The most important thing is to support film education. Before you do anything else, before you put money into film production, you have to finance film education. We have a huge country, and Moscow is just a speck, a dot on the map. The true talent is in the provinces. That's where we'll find our voices. That's when we'll see what Russia is thinking, what it's feeling, what it's worried about. But for now it's a wasteland. That's why I think we have to start with education. We must change this thinking that film is for the chosen few. It's taken a long time to build this psychological barrier in our country. We have to open doors to different voices, to a diversity of talent. That's why when I'm not making films, I tour the country's towns and villages with our 2morrow Film School, trying to convince people that making a film is not so scary, and that if they have something to say, they should say it."

Perpetually limited budgets and complicated market conditions for Russian cinema bring us back to the question of attracting additional funding into the Russian film industry. Russia's national representative to the Eurimages Board of Management Leonid Demchenko notes:

“I think the co-production sector will keep growing naturally no matter what, for as long as the current conditions of limited finances persist. The situation has been particularly dire in our country over the last two years. We never have enough resources to support every interesting project. If those projects could bring in additional financing from co-producers, then naturally this would cut down on the need for state funds. The state can’t cover the maximum budget of every deserving project, especially since most of them, unfortunately, come to us for support before they have anything to show. A more ‘pre-packaged’ project, in other words, one that comes with partners and pre-sales, has a better chance of getting state support.”

So to sum up, the state does not have enough for everyone, and thanks to the country’s unstable distribution system and ineffective monetisation of the film industry as a whole, producers cannot recover private or borrowed investments. In this situation, it would seem logical to turn to the global film financing and distribution market. But our respondents tell us they face a major challenge in trying to meet the standards of this global market. Producer Sergey Chliyants comments on this problem:

“Another factor in Russia is that the movies are bad. They are not about us. They’re low quality. The country makes virtually no films that the thinking part of the audience would want to collect, to own, to show to their children and friends. We are following the terrible Hollywood trend of thinking of it as a product rather than a film. They’ve been churning out products rather than films for a long time, and selling them in their multiplex shopping centres.”

The majority of producers, however, complain that they simply do not have the budgets required to produce films of acceptable quality. Angelina Miroshnichenko offers an example of this dilemma from the field of documentaries:

“Today, a good quality documentary film will cost at least RUB 5 million. That’s just the current pricing policy. In the north, for example, a helicopter alone will cost you 1.5 million. A flight to Novosibirsk or Murmansk costs more than a flight to New York. Our expenses have grown so large that we simply can’t manage with a smaller budget. Not unless you’re shooting a silent film on your camera phone. And that’s before we even get started on how much it costs to rent the camera, the lens, the sound equipment: all of that costs money. And they won’t lower the rent on a Red camera just because it’s a documentary... And then you see a film like *Cartel Land*, for example, filled with gunfire and death, and you can hear everything! The sound has been properly recorded, the hero is miked up, and they have a boom microphone somewhere. That’s professional equipment. You can’t see the microphone on him, which means it’s expensive: the kind they pin on the inside, and you can still hear everything. So you’re sitting in a Dolby theatre, listening to a fantastic film... I understand full well that you can’t produce a great idea for two million. All you can make is another cheap, trashy film. But if the project had five million instead, maybe it would’ve worked in international distribution. Perhaps everyone will hate me for saying this, but I sometimes think we should have fewer projects, but with bigger budgets, so that we can produce better films.”

The situation is even more desperate in the provinces, despite the fact that production costs are considerably lower than in places like Moscow or St. Petersburg. Regional producers would also love to co-produce films and distribute them on the global market; but the quality of the equipment available and the state of the local production facilities put those desires out of reach. According to Movie Research, 85% of Russian film studios are clustered together in Moscow, with a further 12% located in St. Petersburg; in addition, more than 60% of film production companies and services are based in the capital, more than 20% in St. Petersburg, and another 10% in Yekaterinburg (belonging to the Sverdlovsk Film Studio). Other regions rely on television equipment or even amateur equipment to produce films. This Moscow-centric model is problematic in that it has led almost all large production companies to operate in Moscow – 16 of the 20 we analysed – with the rest being found in St. Petersburg; strong film producers are absent from the Russian regions (see 2.1.2. Major production companies in Russia).

At the Fourth Regional Cinema Forum, held in Ulyanovsk in May 2016, filmmakers repeatedly complained that state support programmes are limited to Moscow, and that there are no budgetary allocations designed specifically to support regional cinema. Space and organisational support for shoots are also sorely lacking: gaining permission to shoot in public places can be a real obstacle for both local novice filmmakers and experienced directors and producers from other cities. It is now even the case that Moscow is the sole place where the documentation required for film production and distribution can be obtained. So films made in Yakutsk that have been successful fixtures in regional cinemas for several years have only recently been granted a National Film Certificate (NFC), exempting them from VAT, due merely to a lack of awareness and the high cost of travel to Moscow (a ticket from Yakutsk to the capital costs around RUB 45,000). Marianna Skrybykina says:

"I actually am getting an NFC for my last two films. I didn't use to, I had to grow up a bit first. It's a shame, but many of us here in Yakutsk are simply not aware of the benefits that come with NFCs. I'm not even sure I know of any local producers who have been given national film status. Awareness campaigns are sadly lacking here."

We find a similar story with distribution licences, which since a recent tightening in legislation are now required for a film to be shown in cinemas. Regional producer Gulfiya Sharipova, from Ufa, explains:

"We only started getting distribution licences because it became mandatory after the law was brought in. But when it took a year, everyone was pulling out their hair in frustration. I started doing it because I knew there was no one who could do it, no one knew how. I called the Ministry of Culture to ask a question about one section of the form, and the woman on the phone politely told me, 'Young lady, it's all on our website. We have two people for the entire country.' She told me they used to get 60 applications, and now they get 600. So you know what I did? I have a lot of Facebook followers who work in the industry, and they graciously posted about their own experiences of getting a distribution licence. About how they would go to the Ministry of Culture in person, only to be told the file must have a string-tie and the quality control department certificate must have specific wording. The website, of course, doesn't have this information on it at all. Or the fact that you have to burn two discs, go to the National Film Foundation, get this paper, get that paper... Nobody knows about this. But meanwhile, people are already coming from the provinces to get their permits! I'm talking about Ufa specifically. I won't even mention individual districts. So excuse me, but who can even start thinking about co-production?"

Problems such as these may be solved by decentralising certain functions of the Ministry of Culture and creating a network of film commissions across the country's regions to both support local filmmakers and attract film crews from the capital or from abroad.

3.4.3. State support for international promotion of Russian cinema

According to our respondents, another hurdle on the path to international collaboration in the film industry and international distribution of Russian films is the lack of state support for expanding Russia's involvement in the global film industry in general. The importance of the state's role in motivating domestic producers to enter the global stage and in creating conditions that benefit foreign partners cannot be understated.

When talking about the need to expand the practice of holding Russian Film Weeks, for example, Renat Davletyarov raised the issue of so-called 'soft power': a country's ability to influence other countries through its culture, by promoting it globally in every possible way. Film is among the most effective 'soft power' tools used as part of international cultural exchange. Renat Davletyarov explains:

"In France, our Russian Film Weeks attract audiences of around a thousand.[33] Maybe they will begin to understand our country and its people a little bit better. So why stop this practice? I think we should do the opposite: expand the geographic reach of these events. They don't have to be commercially viable. Thousands of people come every year. And they start to realise that our life is not all arthouse films; that we have other 'lives' as well: people fall in love, get married; what else…they feel passion. We don't all live in landfills and pick our noses and rape our daughters."

Producer Mikhail Sinev offers an example of soft power:

"Literally yesterday, I was reading an interview with Marina Davydova, who described the following situation. She organised a national tour for the Chekhov Moscow Art Theatre and the Red Torch Theatre from Novosibirsk. The plays were hugely successful – she even received a thank you letter from Oleg Tabakov. At the same time, there is a sign saying 'Open Russia' in the theatre courtyard, where our folk ensembles play. So what are we to make of this? She thought to herself, 'Of course this is great, I don't have anything against these folk ensembles. But I can't even imagine the Ministry of Culture in Austria, or the Department of Culture in Vienna or something, sending Tyrolean singers to perform in one of our town squares.'"

UniFrance representative Joël Chapron believes that in addition to its soft power influence, the government must encourage its country's producers to take part in international projects:

"In France, 40–42% of all films produced in a given year are international co-productions, primarily with more than one country. I think the only reason we got to this level was because our institutions – CNC and UniFrance – are constantly telling producers how important it is, offering incentives, and trying to help out... A few years ago, the Russian Cinema Fund tried to do the same thing. They created all those academies: the Russian–French one, the Russian–German one... And they were all shut down before they really had a chance to get going."

A large number of Russian producers voiced their support for the French model of supporting the domestic film industry abroad. Producer Ruben Dishdishian summarises his colleagues' opinions on the matter:

"Yes, I think we need to learn from the French. I remember we would always call the French Embassy, their cultural attaché, for help with releasing a specific French film in

[33] Russian Film Weeks have been held in Paris since 2003 and in Berlin since 2005 – for more details, visit http://cinema-russe-paris.ru (Russian and French only).

Russia.[34] We would put together a budget, get the money, and use it to promote the French film in Russia, primarily in Moscow. Then, from what I remember, they started allocating budgets for regional promotion in major cities: St. Petersburg, Novosibirsk, Vladivostok. We distributed all the major French films. So what is stopping our government from promoting our own competitive Russian films in France, for example, where audiences have been relatively welcoming towards Russian cinema? I think that France, Germany, and perhaps Italy – people in these countries love Russian culture; they grasp it; they understand it. We have potential viewers in these countries willing to watch Russian films. It is just a matter of reaching them. But reaching them costs money. So when we say we need support, we mean tangible things: advertising first and foremost, or another type of promotional campaign. All this costs money. Why can't our own government, then, support at least, let's say, five or six films that can compete on these European markets?"

Joël Chapron, for his part, offers his own first-hand experience:

"Distributors receive our support from the moment they buy a French film: if they want to invite the star or the director here, we pay for the flights, and so on. Our funds, the CNC and UniFrance, always support people who are interested in buying French films. But when Pyramide Distribution [France] released Zvyagintsev's *Leviathan* and *Elena*, they footed all the bills themselves: Zvyagintsev's flight, accommodation, meals, interpreters, receptions, and so on. No one offered financial help: not the Russian Embassy, not the Cinema Fund, not Roskino or the Ministry of Culture, none of them. And that's too bad, because it's not often that Russian films get international distribution. Every year, we pay for about 700 flights, most of them for distribution promotion, rather than for festivals. We send just over 50 people to Eastern Europe for releases alone. That's not including Karlovy Vary, the Moscow International Film Festival, and so on. So far, we've only sent three people to Russia, not counting the festivals. We help to finance around 10 releases a year in Russia alone. But France only sees three to five Russian films a year, and I don't remember any of them getting support from the government. Everyone who came out for the last few releases was invited by the French side."

The participants in the study believe that Russia's own soft power could take a variety of forms. Producer Sarik Andreasyan, for example, wants the state to focus its support on a particular practical aspect:

"To get written up in major publications like *The Hollywood Reporter*, you need to hire a publicist. I'm not talking about hiring some PR rep who sits and works at home: I mean a company that works directly with your film. For example, they publish stills from your film in the USA, and the rest of the world reprints them. All this goes through publicists. In Russia, things are simple: I have a PR rep who sends the material to three websites, and that's the end of that. But over there, it's a global operation. They charge USD 250,000 a year. For me, that's a huge amount of money: RUB 15 million. I can't afford that, but I realise that I need them if I want to promote my film abroad. If *The Hollywood Reporter* says that a Russian film was included in China's film import quotas, that's great positioning! But I can't go to my distributor and ask him for USD 250,000. He doesn't care, it's just some sort of advertising. So which way do I turn? To the investors? None of them want to hear about this. Do I use my own money to make sure they write about the

[34] This refers to Ruben Dishdishian's distribution work at Central Partnership.

film, and by extension about the country? In theory, it would be helpful to have some kind of state structure that might hand out USD 2–3 million a year, but would only finance major films that can be promoted abroad. There aren't many films like that, only four or five a year: *Flight Crew, Guardians, The Duelist, Icebreaker,* and *The Earthquake,* which is set for release soon. Now, that would be a real help!"

Some producers, especially those working at the regional level, say the primary target of Russia's soft power should be the CIS and neighbouring countries. These are the markets that are, in many respects, best suited for collaboration with Russia in the film industry. Producer Renat Davletyarov offers his explanation:

"We must cultivate soft power. This takes money – it's laughable, really. Back in the day, I sent a memo to the Ministry about the need to keep Russian Film Week going. It doesn't cost anything. We should've been working in Kiev, Almaty, Minsk, Riga, Tashkent; we should've been negotiating to help our film industry create that unified space that doesn't exist; to make sure our stars become their stars, and so on, and so forth. It works really well in pop music: performers tour all these countries and play in massive, packed stadiums. It's the same with film. But for that to succeed, you have to be truly involved. You can't just come with your film alone: it has to be a whole entertainment package, a spectacle, with directors and stars appearing in public, and so on. You have to do this regularly. It's a small part of the market, but we must fight for it and defend it. And this is the only way."

For obvious political reasons, many respondents said that they feel the loss of the Ukrainian market, among others, keenly. We must remember that until recently, Ukraine was one of Russia's key co-production partners and the single largest foreign distribution market for the Russian film industry (see Section 2.2.3. Russia's co-production partners and Section 2.3.3. The markets of the CIS: Ukraine, Kazakhstan, Belarus).

3.4.4. How profitable is co-production and international distribution for Russian producers?

Now that we have an idea of how things stand in the domestic market and the role of the state in supporting the industry, both inside the country and abroad, we must ask ourselves: do Russian producers make a profit on co-production and international distribution?

Several producers complained that a co-production takes too much time to put together. Ruben Dishdishian put it best in his interview:

"From a business point of view, you could probably contact the funds and try to get a grant, but all this takes an insane amount of time. If you can produce a film in a year, then that is quick: you have the screenplay, regardless of whether or not you apply to the Ministry of Culture; you find the cash; you shoot your film. But if you have to jump through all these bureaucratic hoops, follow all these foreign fund procedures, it will take at least twice as much time. And as business people, we are used to faster results. We don't have time to sit there and promote the film manually, to travel around, spending money on negotiations with Europeans, not to mention a great deal of time: just chattering away without any clear results. So I guess this is also somewhat of a hurdle for us personally."

Moreover, international distribution of Russian films does not significantly impact profits collected by Russian producers. Igor Tolstunov and Natalya Mokritskaya sum up the position voiced by most of their colleagues who distribute their films abroad:

"Here is how international distribution works. You have the MG – the minimum guarantee, which, as a rule, ends up being the final figure. Certain royalties and other conditions are negotiated as well, but we haven't once received any royalties, and I doubt we ever will. So it's all about the minimum guarantee."

"Of course foreign distribution makes some money. But it all goes to the distributors, and all too often, none of it reaches us. We don't see any of it. Theoretically it exists, but we don't see it."

So it appears that ineffective monetisation of the domestic film market is compounded by the fact that the low visual quality of Russian films and the lack of a strong national lobby for Russian cinema abroad make it difficult to find foreign investors and international distributors. Even when Russian projects could technically apply for European grants or be released abroad, Russian producers do not always see this as a viable option and do not get the economic benefit.

We should also note the increasing interest in the Chinese market, whose rapid growth has brought it to the centre of attention. Roman Borisevich says:

"As I see it, everyone is now looking to China in the hope of getting some kind of partnership deal. It really is a good, big market that doesn't really stand comparison with any of the European markets. I guess we'll wait and see what comes of it."

In an interview for the web journal *Meduza*,[35] the producer of *Forbidden Empire*, Aleksey Petrukhin, says that the Chinese market is becoming attractive for film distributors, but with one big stipulation: if a Russian film is simply sold to China under the quota system, there is practically no chance of making a profit on it, but a film co-produced with China, on the other hand, could well earn a lot of money on the Chinese market. Regarding his financial expectations from cooperation with China, Aleksey Petrukhin says:

"Our partners in China are predicting record results: around half a billion dollars. Thirty-six percent of that will come back to the studio, but we still have a cause to fight for. Our company will use the profits to invest in Russian cinema, and we really want to make this qualitative leap in the next few years. I was really inspired by Jackie Chan's business model: he had his breakthrough, got himself known and started acting in American films, but he brought all his fees back to China and invested the money into Chinese cinema. It would be great to do well at the worldwide box office and invest that money into the Russian film market, for example."

Sarik Andreasyan, on the other hand, believes that cooperation with China has serious limitations which may put a project's overall profitability into question.

"It's just self-promotion. If they're investing their money their main goal is promotion. So they have a number of conditions for co-production. For example, they require 30% of the actors to be Chinese. A well-known Chinese actor, however, will set you back USD 2 million, and so you stop to think, and it comes out that all the money they're actually contributing to the film goes to pay their own actors. And so you think, do I really need this? And again,

[35] "I was inspired by Jackie Chan's business model". The producer of *Forbidden Empire* talks about opportunities for Russia to make money on the Chinese film market. Interview with Aleksey Petrukhin, 07/07/2016 – https://meduza.io/feature/2016/07/07/menya-vdohnovila-model-razvitiya-biznesa-dzheki-chana (Russian only).

you know, if I've got an all-Chinese cast, will the film sell well in, say, France..."

Despite varying opinions, the recent increase in interest in China among Russian producers is certainly worthy of note.

3.5. External political and economic factors

This section will focus on the external political and economic factors that have a direct impact on co-production and global distribution of Russian films. Virtually all respondents note that while these factors are often out of their control, they directly affect their ties with foreign partners. How does the West see Russia as a country? What do individual entrepreneurs expect from specific partnerships with their Russian counterparts? Russian producers shared their thoughts on these issues.

3.5.1. Russia's image on the macro level

The political aspect always has a role to play in transnational ties in every sector. Virtually all the respondents mentioned Russia's negative image abroad. Sarik Andreasyan shares his personal experience:

"First and foremost, we must build political ties. There must be a certain level of friendliness between nations. Right now, you turn on the TV, and everyone hates everyone else... It's the same with our Russian ministers. You tell them, 'Hey guys, how about we co-produce a film with the Americans?' And they immediately get all tense: 'How, why? How will you get the money out of the country? No, it can't be done...' And you realise that you're going to have massive problems... Nobody is interested, neither side wants to do it. That's why we stopped producing American films: we realised there was tension on both sides, and as a producer, you are stuck between a rock and a hard place. One investor will say to us, 'Let them come here. I'm not moving anything out of the country; let them film it here.' Then the other one will say, 'Why would I want to do that? My film is set in Louisiana, I'm not going anywhere.' And that's that. I was recently visiting an agency that represents Brody – I know the guy. They ask me, 'Do you have any five-star hotels?' This was an educated person, a formidable agent. So you sit there, trying to keep your cool, and you say, 'Yes, of course we do. Just Google it: we have the Marriott, we have the Hyatt, we have all of them!' They think we're all... Our country really dropped the ball in terms of PR. People really think there are bears prowling our streets and that everyone drinks vodka straight from the bottle."

Natalya Drozd agrees with her colleague:

"No one can understand or relate to the way we promote Russian films abroad. In Cannes, for example, at the film market opening, they put up a fence and a sign that said VIP. And the foreigners were laughing at us. No one could figure out what was so VIP about it: they just hired a guard and hung up a couple of curtains, but once you got inside, it was all the same couches and the same food. We have this need to show off our VIP status. The non-Russians there were seriously keeling over with laughter. People would say to us, 'You see, this is a scaled-down model of how you behave out in the world. Nobody excluded you: you put up your own fence and called yourselves VIP and decided you didn't need anyone else.'"

Alexander Gerasimov, general producer with Master-Film, agrees with his colleagues and adds his thoughts about the possibility of collaboration in this political climate:

"I put myself in the shoes of some European producer, for example. It's much easier, much more clear-cut, to put together a budget from 25 different countries across Europe than to do business with somebody in Russia. Who are these people? What do they want?"

Producer Sarik Andreasyan hit the nail on the head with his comments:

"It reached a point where I began opening my meetings in the USA by saying, 'I'm from Russia, but I'm not stupid.' They even refer to Russian money as 'stupid money'. People come from Russia with their 'stupid money', because in the 1990s, people would simply show up with suitcases of cash, without any paperwork. They'd open their suitcases and say, 'How much do you need for your movie?' So now they think of it as stupid money. Americans have dealt with so many shady characters in the past, they are actually surprised when they meet smart, decent Russians. And it will take years to fix this. Many deals simply fall through because at a certain point I realise I'm being conned. Even after meeting me three or four times, they didn't know that they shouldn't try to con me: I'm smart enough to figure it out. That's a problem."

Foreign filmmakers, for their part, sometimes counter this opinion by referring to a certain Russia-centric worldview. They feel that Russians merely think that people do not like them; in reality, Laurent Danielou assures us, "The only benchmark for any dealings in the world of cinema is whether the film is good or less than good – the rest is just conjecture." [36] In any case, this external political backdrop does nothing to motivate Russian producers to work on the global stage.

[36] Interview with French producer Laurent Danielou as part of the academic study *Problematic Perception of Russian Cinema in France.* Victoria Ivanova. University of Avignon, France, 2015. p.92

3.5.2. A trend of mutual mistrust

The macro model of international collaboration is usually reflected in specific professional relationships between players in the industry. Mutual trust is the foundation of all cooperation – and the spheres of culture and commerce are no exception. Pavel Odynin explains how many objective hurdles foreign partners encounter when working with Russian producers:

"Failure to meet commitments; a huge number of production issues; many unexpected factors. There are also some specific cultural differences: people don't pick up the phone, or miss deadlines that they agreed upon in writing. When it comes to money, it's complete anarchy. And in the case of a co-production, this could actually become a deal-breaker. When your money is provisional, and your operation somewhere abroad, outside the EU, is a shambles, that's extreme psychological stress and a huge risk for European producers."

Still, Pavel Odynin's colleagues believe that things are more complicated than that. Quite a few Russian producers had mutual grievances against their foreign counterparts. Elena Glikman, for example, has this to say on the matter, summarising several viewpoints voiced by her colleagues:

"For a while, we also thought that foreigners, with their European values, were all wonderful and honest. But when I took a closer look, I realised that wasn't the case. They weren't some noble creatures: they were normal people, just like us, with their own reputations, some of which are not that great. They would meet us with the nicest smiles, and then later they wouldn't answer my messages, and I'd think, how can someone behave like that?"

This negative opinion of each other and mutual mistrust always affects the economic aspect of any collaboration first and foremost.

3.5.3. Co-production and international distribution of Russian films: financial consequences for foreign partners

Mutual benefit is the presumed outcome of any transnational partnership. The previous section discussed whether international collaboration benefits Russian producers. But does it benefit their foreign partners? First, we will take a look at co-production.

Elena Yatsura spoke about minority co-production – projects initiated by the other country:

"We are not the friendliest country in the world. We have problems with visas, with this or that. In other words, getting initial access is expensive. No one gets to see our internal cost efficiency, because they'd have to get to it first. I think this is the legacy of the Soviet era, when we had one price for Russians and another price for foreigners. But to get them to come and film their projects here, the price must be the same. You can't rent out Red Square at two different rates. It has to be the same. Of course, if you take James Bond, they have to pay more by their very nature. But not everyone who wants to work with us is making a Bond film."

According to our respondents, this is not the biggest problem. The situation as regards support for co-productions provided by foreign funds is even more far-reaching. Natalya Drozd explains the situation:

"Co-production always implies reciprocity. For example, Bulgaria helped us on a majority co-production, gave us some minority financing. It's both expected and enshrined in the rules of European film funds that Russia, our Ministry of Culture, will help finance some Bulgarian majority project. The whole of Europe works like that: you scratch my back, I'll scratch yours. This reciprocity is clearly enshrined. That's the very foundation of mutual assistance and support on projects which both parties find interesting. But I'm sure there is no way a foreign director would ever get any minority financing from the Russian Ministry of Culture. Once, a long time ago, when the Cinema Fund had an international department, they had a separate office focused on co-productions. You could go there to get state funds for a Russian minority co-production. Today, I know that I could find money in Europe for one or two films, and that would be the end of that, because our side has nothing to offer. Take Eurimages, for example. We pay our fees, and they give us money. Eurimages supports Russian projects. The system works. Again, though, this has to be reciprocated."

Several Russian producers also mentioned a set of fiscal incentives that could attract foreign partners to Russia and help augment the country's budget. The President of the Producers' Guild of Russia, Renat Davletyarov, explains:

"Earlier this year, I spoke before a government committee dedicated to the Year of Cinema on behalf of my colleagues. One of the questions was about the so-called rebate system that exists all over the world: if you spend money in a certain region and can document your expenses; if you create jobs and pour a ton of money into the local economy, you show all that when you are leaving, and you get some of that money back. Now, here's an example: when the *Die Hard* film crew came here, the producers couldn't come to an agreement with the Moscow municipal government, so they filmed the Moscow scenes in Budapest and poured around USD 20 million into the city's economy. They could've spent that money in

Moscow and created a whole load of jobs in the process. First off, this is a cutting-edge industry, and the experience would have been invaluable for low and mid-level crew members. Plus a huge number of other things. We are working on this programme right now. The Cinema Fund and the Producers' Guild are working on this together, but it's not enough."

When it comes to international distribution of Russian films, respondents voice two mutual grievances. Foreign distributors occasionally complain that Russian producers gouge their prices for the foreign market, and, as a result, Western distributors prefer not to buy Russian films. Joël Chapron summarises the viewpoint of his Western colleagues:

"Sometimes it feels like Russian producers try to sell their films the way we sell French films. Except that French films sell well, whereas Russian ones hardly ever do. If you are selling strawberries, you shouldn't sell figs at the same price: fewer people eat figs. It's the same story here. When we sell French films, we have between 12 and 17 distributors competing against each other. So the prices are quite high, and rightly so: competition drives them up. But no one in France is competing for Russian films. It's a miracle if you find one distributor. And when you have virtually no consumers, it's pointless to keep raising your prices."

Giya Lordkipanidze, on the other hand, explains why Russian producers are forced to raise their prices:

"In our experience, whatever you get at first is all you are going to get. After that, there is little hope of getting anything more. At least that's the case with our smaller films. So at most, it's a chance to get at least something. It's not a question of mistrust: it's a question of practical experience. I understand that they have an office and people who go to festivals and do the work, people who are making a living out of this. Of course things are better with a massively successful film. But if the sales numbers are low, the revenue will only cover their expenses. That's not dishonesty, that's just how things work. Or you can realise that instead of paying you the minimum guarantee, they can invest EUR 100,000 in promotion, and you will have to say yes. But if they simply add yet another title to their catalogue without investing any energy into it, they will probably treat it accordingly. It's not a question of making money: it's a guarantee that they will work on your film, because they have to sweat for that money."

Joël Chapron paints a picture of the expenses involved in releasing a film in France, for example:

"On average, if you want to stand out among 650 new releases a year, you have to invest EUR 300,000–800,000. Of course, Bykov's *The Fool* got different treatment on release than, say, *Leviathan*. An average French release runs at 200–300 copies of the film and at least EUR 300,000 in expenses."

Igor Tolstunov sums up the situation:

"In order to distribute a Russian film internationally, you need a distribution company. We don't even care if they pay – we would even be willing to hand over our royalties. But they must be willing to invest a sizable amount of money into releasing a foreign film. And that's quite a problematic thing to ask."

It appears, then, that international collaboration is seriously hindered, at the very least, by the political context, mutual mistrust between partners, and most importantly, the lack of a mutually beneficial economic incentive.

3.6. The challenge of international collaboration: the sociocultural aspect

This section deals with another important factor: the role of Russian film in shaping the image of Russian culture. This aspect is directly related to co-production (since co-productions are released in all countries of origin), as well as to international distribution of completed films. The Russian producers who took part in our project had much to say on whether Russian films are in demand abroad, what people think of Russian cinema, and what foreign audiences expect from Russian films today.

3.6.1.Different mentalities and long-standing stereotypes complicate selection of subject matter

Nearly all respondents believe subject matter is one of the central, most decisive factors in transnational collaboration and in international distribution of Russian films abroad. Producer Yuri Obukhov explains:

"One problem in a modern production is finding a subject: a subject that might be of interest both here and abroad. I think the reason we see so few co-productions today is that there are no subjects that would capture the interest of our European and American partners."

Angelina Nikonova delves even more deeply into the matter:

"First and foremost, we have to understand the motivation of our foreign co-production partners: why do they want to co-produce this film? What is it that they find interesting? If I ask them directly, I expect they will tell me they are interested in stories they can understand. If the story is focused purely on everyday domestic issues and they can't relate to it, they won't be interested. But if they are interested in critiques of Russia, in drama, that's a double-edged sword. I remember the hatred in the eyes of my fellow countrymen after *Twilight Portrait*: they were convinced the West had recruited me and paid me to make this film and show it in France. That's absurd! The same thing is happening with *Leviathan*. In this political climate, I don't even know what else could capture the interest of our foreign collaborators and what kind of films they would want to co-produce with Russia."

As we can see, the issue can be broken down into two components: foreign audiences have a hard time relating to intrinsically national stories, and they expect to see films which are critical of Russia.

Alexander Gerasimov, general producer with Master-Film, had a great deal of insight into the first component of this issue:

"Take our directors and screenwriters, even – I'm talking about the creative arts: set designers, composers. More than half of them are coming out of the Russian provinces. And here's what happens: these talented people make excellent films that are always in demand at the Kinotavr Festival[37] and everywhere else. But they are so profoundly Russian, in many ways because they are made by provincial people. That's our mentality. The best example of this is *Kiss Them All!*, which just came out recently. Why would anyone want to see it abroad? Our dramas are filled with talent, unforgettable, original – they are all these things, in large part, because they are uniquely ours. The world doesn't get most of us. The world can relate to certain classics made by auteur filmmakers. But that's auteur cinema,

[37] Sochi Open Russian Film Festival, Kinotavr — http://www.kinotavr.ru/en/.

and this is business. We don't have directors who are capable of making films that fit the international model."

Natalya Drozd agrees with her colleague:

"Every nation has a different mentality. Of course, the Russian films you see in domestic cinemas – comedies or simple films about human nature, things we understand and recognise, things our audiences relate to – that's much harder to promote than more abstract, conceptual, or intellectual stories, or films with a certain visual hook. Comedies don't travel well at all. Everyone knows this: humour is a very intimate thing."

Renat Davletyarov had some more thoughts to offer on the cultural differences, particularly with regard to humour:

"We are too different. There is nothing wrong with that: we have different problems, different cultural attitudes, different cultural codes. That's normal: that's self-identification. I don't think Europeans would find *Peculiarities of the National Hunt* particularly funny. But a sense of humour is the most open nerve of all. They won't understand, just like they didn't understand Gaidai.[38] It's silly to blame them for this. Why should they relate to Gaidai? But in Russia, these are mega-hits. No one would turn down a co-production. But they want mutually relatable material that's about Russians and Germans, about the war, and so on. But what are we supposed to do? How many screenplays can we write about Russians and Germans together?"

[38] Leonid Gaidai was one of the most popular Soviet comedy directors, enjoying immense popularity and broad public recognition in the former USSR & modern Russia. His films broke theatre attendance records and still draw huge TV ratings in Russia today.

3.6.2. Viewer expectations of Russian subject matter

When it came to the second aspect of the issue – expectations of drama that sheds a negative light on modern Russian society – most of the producers had something to say. Giya Lordkipanidze describes his own personal experience:

"I don't think they expect us to make bourgeois films about normal life and normal people. People accept French or Italian films like that; those films get traction. But they expect different things from us. Take *Euphoria*, for example. How wonderful: brutish people making love and drinking vodka. This never even occurred to us when we were making *Euphoria*! We simply had a screenplay, and it happened to fit their expectations. That primeval passion you see in *Euphoria*, that's what people expect from us. But I don't think they find the trials and tribulations of the bourgeoisie, like in *Flight*, particularly interesting."

Roman Borisevich offers the example of his film *Koktebel* to illustrate the general consensus on the importance of the film posters used for European distribution:

"Our design ideas are somewhat romantic: a pretty picture of a boy sitting with his back towards us, against the backdrop of the Black Sea. How beautiful. But the French changed it around: they put a nasty hat on the boy and turned him into a bum, while we were trying to present him as a completely different character. For a while, people called our auteur films too gruesome and so on. I don't think that's fair. If people don't want to look in the mirror, it doesn't mean they should only look at pretty pictures."

For their part, foreign distributors and producers collaborating with Russia note that beautiful Russian films with high production values are all the more likely to present a negative outlook.[39] They also note, however, that European viewers find explorations of social themes highly engaging. Eugénie Zvonkine[40] sums up the situation best:

"People who watch foreign films and are interested in cinema in general tend to like powerful, engaging films with a critical look at the world. Take Scorsese: does he make films about how amazing America is? Or does he show how badly the system functions? Does he show corruption and betrayal? What do his films say about the world? Or the Dardenne brothers: do they make films about how lovely it is to live in Belgium? About how wonderful their democracy is? Or are they more interested in crises, in how hard it is to survive and to break out? Or Kechiche, who won the Palme d'Or: does he make films about how life for lesbians in France is just perfect? This is our Russia-centric worldview again. In truth, the problem is not that something's wrong with Russia or in Russia, but that people don't like films that insist that our life is great and that we're all great. No one, anywhere, would ever want to watch that, because real art always explores a problem of some sort. It might be one character's personal, intimate problem, or it might be a wider problem that affects society. But there is always a problem of some kind! Without a problem, there is no art."

Another theory is that Russian cinema simply has not had enough time to earn an audience. First, we produced Soviet films, then dissident films, and now – Russian films, assumed by international viewers to be 'deep, morose', and made exclusively for festivals. Sarik Andreasyan offers his own reasoning:

"The problem lies in how people perceive Russian cinema. The Russian film industry has failed to build a global brand. They can say whatever they want, put out their propaganda, but whatever brand recognition we might have had in the past is long gone now. All the acclaim earned by Kalatozov, Tarkovsky, and so on – these are all in the distant past. Film is like football: all that counts is whether you're a champion today. You'll get some respect for what happened in the past – but nothing more than that. So today, we have no brand as such. Russian cinema means films about village life and drunkards. So when people come and see *Guardians,* for example, they get confused: how can this be a Russian film? We tell them, 'Yes, it is', and they can't believe it. In other words, they've been so indoctrinated into thinking that Russian films are purely festival material. They can't even imagine that they could come to our Russian pavilion and buy a blockbuster, let's say, or a commercial production."

So what do viewers abroad expect from Russian films? European producers quite often express interest in re-imagined history. They are fascinated by momentous events and Russian historical figures from the last century. Elena Yatsura comments on this viewpoint:

"Russians have their own brands, but no one knows them. I mean, there hasn't been a film about the Revolution that has really shaken people up since Eisenstein; there hasn't been a film about Lenin, or indeed Stalin, that has made everybody go 'Wow!' These are significant figures, eras, and times. There hasn't been a film about Putin, or Gorbachev, or Yeltsin, or whatever people talk about when they talk about us. There hasn't been a film about the Silver

[39] Victoria Ivanova. *Problematic Perception of Russian Cinema in France,* University of Avignon, France, 2015.

[40] Eugénie Zvonkine has a Ph.D. in film and the audiovisual arts (Paris 8, 2009). She teaches film at the Université Paris 8, specializing in Soviet cinema. She writes for Cahiers du Cinéma. Interview conducted as part of the academic study *Problematic Perception of Russian Cinema in France.* Victoria Ivanova. University of Avignon, France, 2015.

Age, because that would be difficult. But we have a sense of natural pride in Diaghilev's tours and so on. In other words, we could tell some epic stories about ourselves with the help of international money."

Roman Borisevich is less optimistic:

"Last time I was in Cannes, I spoke about a project that I still think is extremely interesting. And a French producer says to me, 'Actually, it would be better to do it this way', and goes on to tell me a completely boring story. I know for a fact it won't sell in Russia, even though the story has Russian, even Soviet roots. The kind of films they want to see about the Soviet era would be of no interest to us."

Producer Igor Tolstunov shares his own thoughts on transnational subject matter:

"If we wanted to make a film like *Icebreaker* as a co-production, I don't think we would be successful: our mentalities would clash. They say to us, 'Why should we care about this?' In order to be regarded as a national film and get access to financing from those funds, you have to prove your film will be of interest to them. Why should they hand over French or German money for a film about Russian sailors? They have no reason to do so. So then you have to squeeze some French polar bear in there somewhere, artificially. It's ridiculous."

At the same time, Alexander Gerasimov believes Russia has something to offer its foreign partners:

"Animation, now that's a universal language. Animators are a little bit different: they can make a fairy tale, a fantasy, whatever they want. And fairy tales and fantasy are more universal than a hard-hitting, live-action drama. They evoke childhood, and childhood is universal. Animation is fundamentally universal and allows for a wider scope of storytelling. You can do anything you want. You can make up worlds that have nothing to do with Russia or America: completely separate worlds. In this sense, animation has more potential than live-action films."

3.6.3. The perception of Russian cinema abroad

In the end, transnational co-production and international distribution are business ventures. Therefore, foreign co-producers and distributors gauge public interest in a given film before doing anything else. But audiences in different countries also operate on the basis of different viewer mentalities and cultures. Elena Yatsura offers the fascinating example of the film *9th Company:*

"We had a problem with distributing *9th Company* abroad: the film has too many characters. Nobody can figure out their names; they are hard to remember or relate to. And international viewers who don't speak Russian and who are watching the film in a foreign language – all they see is a crowd of people running back and forth and having dubbed conversations. It all becomes more complicated. So our partners said we had to edit the film to adapt it for their viewers. In the end, they hired the editor who had worked on *Alien vs. Predator* and *Perfume:* a Hollywood German, if you will. He produced an edit that gave us all cognitive dissonance. The end product was painfully familiar, something we knew very well, but it just wasn't right. We decided not to bother having two different versions. I'm not completely sure why. Had we closed the deal, though, the film would be touring the world."

The majority of producers interviewed for the study believe that language remains a real impediment to co-production and international distribution of Russian films. This time, we are not talking about the artistic language of the screenplay or the visual language of the film. Angelina Nikonova begins by examining co-production:

"Let's return to that tired old issue that can be a real stumbling block: language! I would recommend that my colleagues pay closer attention to the translations of their screenplays. A great deal depends on this: the screenplay might be great, but it might be translated in a way that makes it utterly boring. In other words, it loses a good part of its appeal during the translation stage. But to capture the interest of your colleagues, funds, or other types of institutions, not to mention private investors, you have to begin by introducing them to the project. We have to be more careful in this sphere. You can't simply ask somebody to translate the screenplay: you have to invest time and money in a translation. Many people ignore this aspect and can't sell their projects anywhere."

Producer Ruben Dishdishian agrees with his colleague:

"Yes, let's say you produce your film in English; film it here, in English. Or if not here, then somewhere else. Of course, that makes it much easier to find co-producers. So I think language is the first and biggest obstacle."

Sarik Andreasyan, for his part, is convinced that language is simply the biggest challenge facing Russian cinema and the paramount reason why it doesn't sell abroad as widely as Russian producers would like.

"Nobody wants to see films in Russian, in Tatar, in Armenian... English is the international language. Whether we like it or not, it's going to catch up with us eventually. We should just make films in English. But we don't have enough people who speak it, no actors who are fluent in it: we have three or four people, but they still have to fit the part. It's complicated. We dub the dialogue later, but you can see it's dubbed. In the West, people look on this as a kind of deception."

Giya Lordkipanidze, on the other hand, thinks only some Russian films can and should be produced in English:

"You can make some films in a different language. But take *Euphoria*, for example: it would sound strange if they mumbled in a language other than Russian. Some stories, though, could be shot in English, or could be completely unrelated to Russia. Zvyagintsev's Elena, for example, might even have turned out better in English, because it doesn't necessarily have to take place in Russia."

Of course, we could argue *ad nauseam* about which language would be better for international distribution. After all, French filmmakers make films in French and still have much greater success distributing them globally than their Russian colleagues. But the questions of which subject matter is appropriate for co-production or international distribution of Russian films, and what foreign audiences expect from our filmmakers, undoubtedly remain the determining factors in international collaboration in the sphere of film.

QUALITATIVE RESEARCH CONCLUSIONS

In conclusion, we will summarise our analysis of the interviews with Russian film producers conducted as part of this study. Respondents acknowledged that even given the various problems stemming from the general political and economic crisis of the last few years, most have had a favourable experience of co-producing with foreign partners and have been successful in selling films abroad. However, these results are far from universal. What do Russian film industry professionals believe is standing in the way of Russia being more active on the international stage?

First of all, they point out the narrow spectrum of themes and plot material that might be of mutual interest for co-productions. Coupled with that, there is a sense that there is no systematic understanding of which themes and issues would be interesting for co-productions with various countries. Respondents noted complexities arising from the sociocultural perspective, as well as the difficulty foreign audiences have understanding Russian cinema due to differences in mentality, language, and expectations from films in general. Those problems are obstacles both to expanding co-producing and to increasing exports of Russian films abroad. Incidentally, sociologists confirm [41] that foreign audiences for Russian cinema can be shaped and cultivated, but they argue that this would be possible only with state support for the Russian film industry and by convincing Russian producers to get involved in promoting their work abroad.

Some relatively problematic areas were noted in the professional competencies of Russian producers, which prevent Russian films being promoted on the international market. These include, primarily, a lack of facility with the English language, today's lingua franca for co-productions. Furthermore, Russian producers noted their own inertia, lack of motivation to work with foreign partners, and a dearth of industry experts in this area, as well as a sense of being legally ill-prepared to work internationally. Finally, several Russian producers mentioned that their counterparts in other countries employ different management methods and operate under a different business culture.

As for the domestic Russian film market, the problems that have arisen here, on the one hand, seem to have prompted Russian producers to move towards international cooperation (more co-productions as a way to bring in additional funds for production and to reach international standards, as well as a focus on exports, as one more way to monetise projects when the domestic market mostly turns out to be insufficient). On the other hand, producers believe that it is that very lack of funding that has caused Russian films to be produced at a level of visual quality that makes them unsuitable for release internationally. Moreover, international activities have proven to be not quite as profitable or beneficial for Russian producers, even given the insufficient size of the domestic market.

The lack of state financing was noted not just within the domestic production system, but also in the area of support for and promotion of Russian cinema abroad. Many noted that Moscow Business Square was not held in 2016; an event that had been the only opportunity inside Russia to meet professionals from other countries and present Russian projects to foreign partners.

Respondents also lamented the unfavourable political circumstances for cooperation both at the macro level (the country's image abroad) and at the level of specific partnership opportunities (mutual distrust). They talked about the need for a more effective cultural dialogue with other countries, which, among other benefits, would help to improve relationships and partnerships in the film industry.

[41] This is a reference to Jean-Pierre Esquenazi's *Sociologie des publics* (La Decouverte, 2009), where the author talks about how an audience, as such, may not even exist, but is formed ("constructed") only under the influence of various factors. The author also introduces several concepts for establishing a diverse audience in the cultural sphere.

It is also vital to note the economic aspect of partnership with Russia for the foreign partners involved. The biggest obstacle to expanding co-production with Russia is the absence of state support for projects with other countries where Russia is a minority participant. Some study participants also believe that co-producing with Russia may be unattractive due to the artificially inflated prices charged to foreign film crews for the use of film production services in Russia, and, mainly, due to the lack of a system of fiscal incentives for producing films here. Respondents are of the opinion that, in most cases, purchasing Russian films is not profitable for foreign distributors. High sale prices, the lack of a star rating system, and the absence of state support for Russian cinema abroad all make importing Russian films simply unprofitable in certain countries.

Consequently, Russian filmmakers depend equally on all participants to improve the current situation around international cooperation. State support ought to include not just support to prop up the numbers of films made and their share of the domestic market, but also more active support of Russian films on the international market, and of work to shape a new foreign audience for Russian cinema. At the same time, Russian film industry professionals must take a more active approach to building a dialogue with foreign producers with a view to co-producing, and with foreign distributors and sales agents to increase film sales abroad.

The European Audiovisual Observatory

Set up in December 1992, the European Audiovisual Observatory's mission is to gather and distribute information on the audiovisual industry in Europe.

The Observatory is a European public service body comprised of 41 member states and the European Union, represented by the European Commission. It operates within the legal framework of the Council of Europe and works alongside a number of partner and professional organisations from within the industry and with a network of correspondents.

In addition to contributions to conferences, other major activities are the publication of a Yearbook, newsletters and reports, the compilation and management of databases and the provision of information through the Observatory's Internet site.

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Nevafilm

Nevafilm was founded in 1992 and has a wide range of experience in the film industry. The group has modern sound and dubbing studios in Moscow and St. Petersburg (Nevafilm Studios); is a Russian market leader in cinema design, film and digital cinema equipment supply and installation (Nevafilm Cinemas); became Russia's first digital cinema laboratory for digital mastering and comprehensive DCP creation (Nevafilm Digital); distributes alternative content for digital screens (Nevafilm Emotion); has undertaken independent monitoring of the Russian cinema market in the cinema exhibition domain since 2003; and is a regular partner of international research organisations providing data on the development of the Russian cinema market (Nevafilm Research).

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