



# Current trends in public film support and perspectives on impact

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



1

Current Trends

2

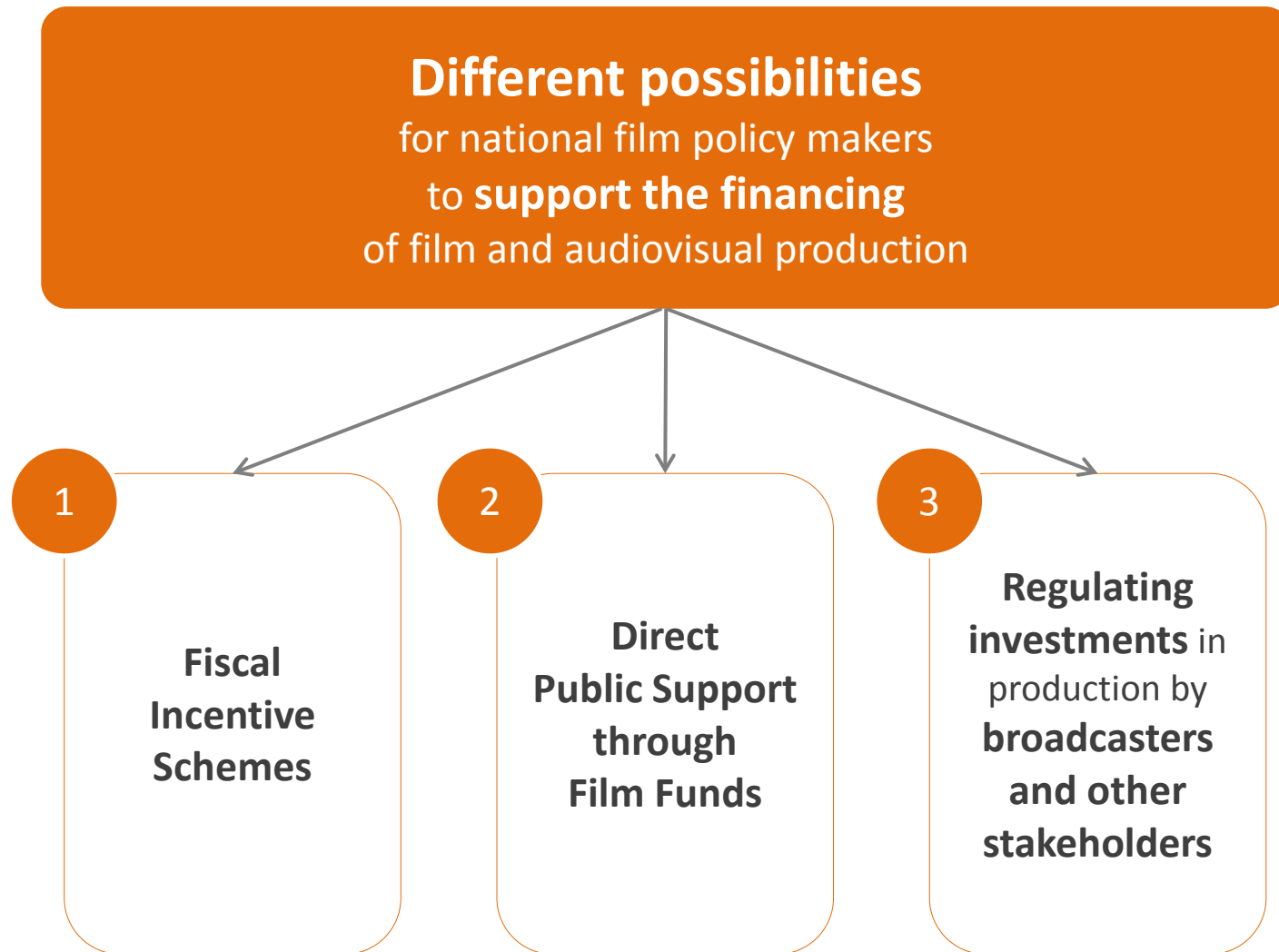
Impacts

3

Conclusions

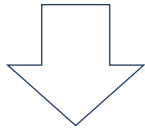
# Current Trends

# Direct public funding is only one form of public film support



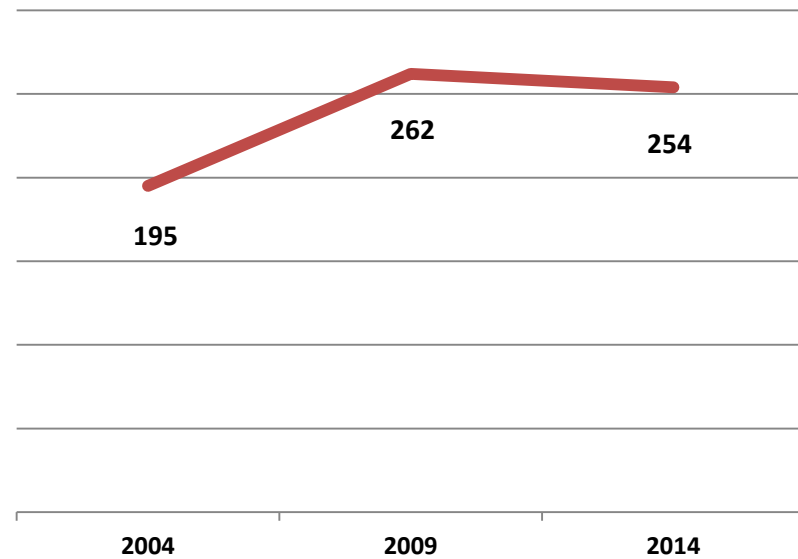
# The total number of funds declined slightly

2009: 262 funds



2014: 254 funds

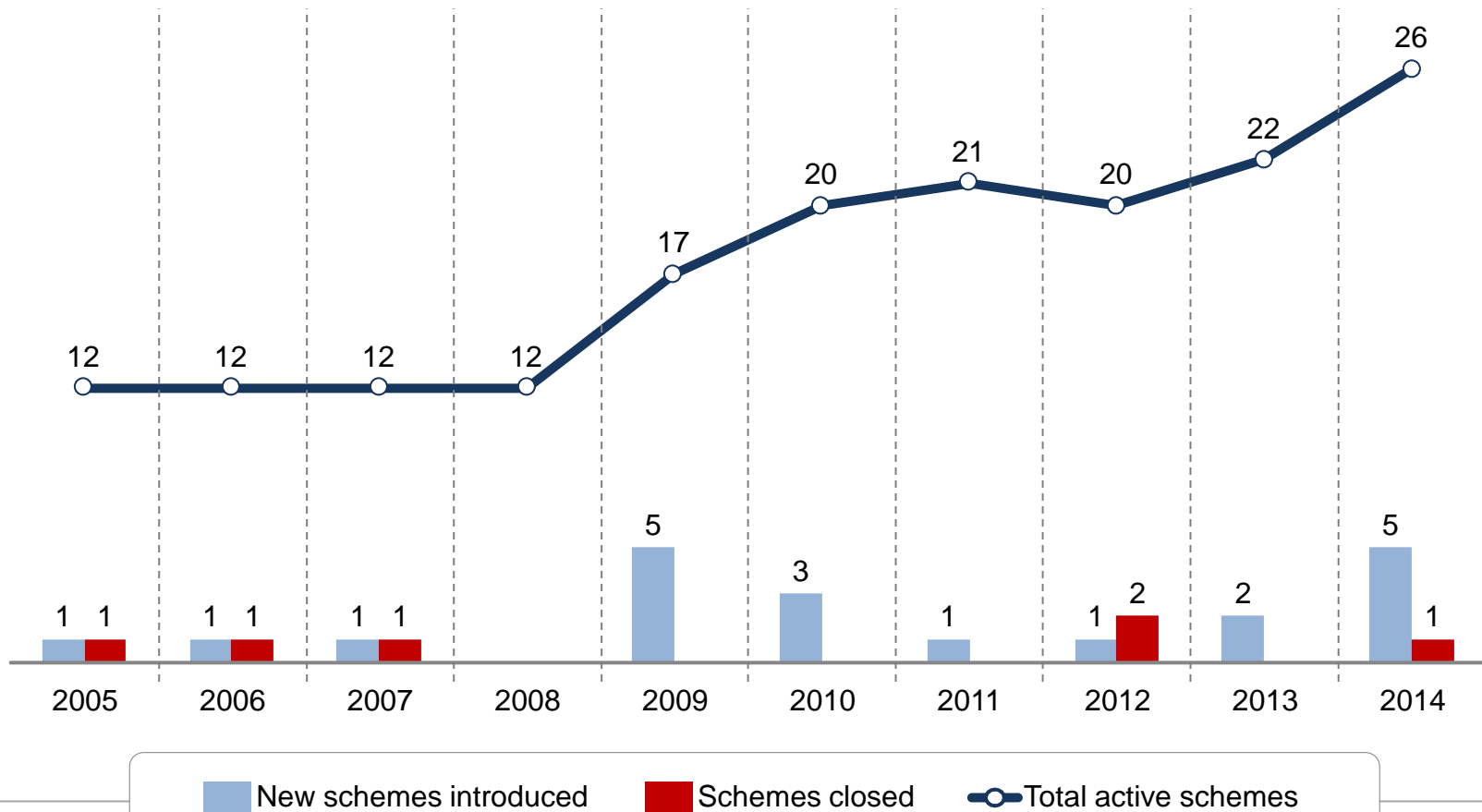
Evolution of the number of film funds in Europe (36), 2004-2014



Source: OBS  
KORDA

# The number of fiscal incentive schemes more than doubled in 10 years...

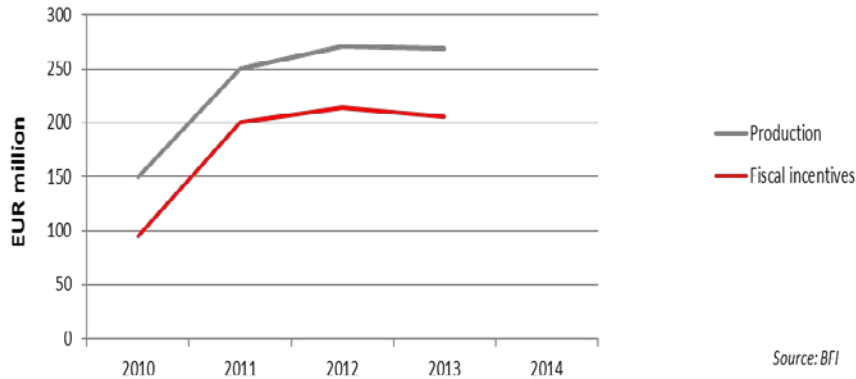
Timeline: Fiscal incentive schemes becoming operational in Europe 2005-2014



# ...But direct public funding remained fairly stable

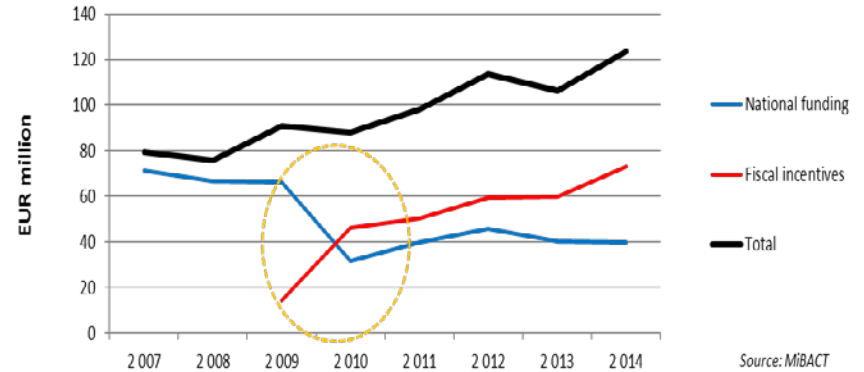
## UK

Fiscal incentives and film production funding, 2010-2014



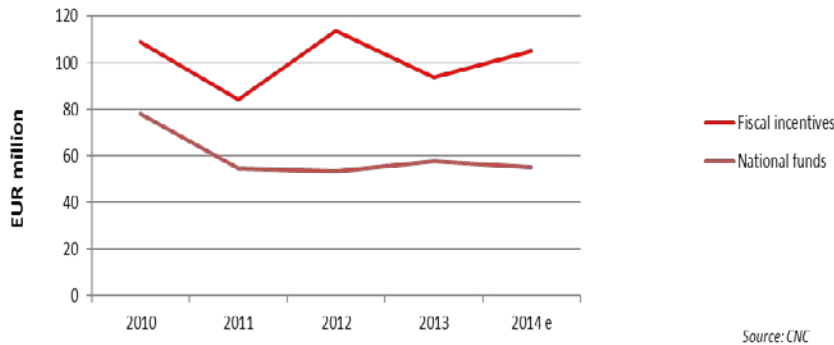
## Italy

Evolution of public support to film production, 2007-2014



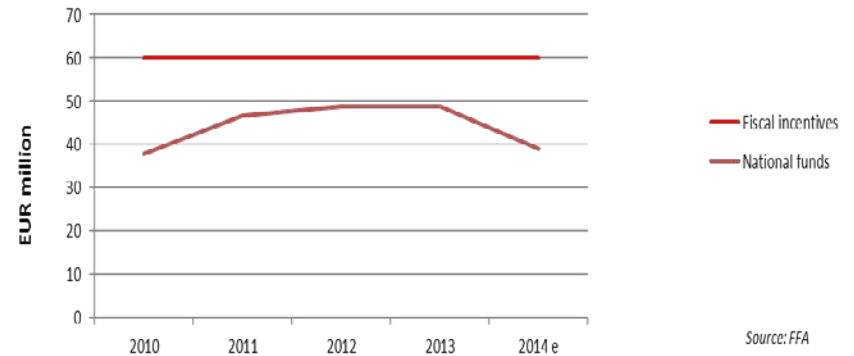
## France

Evolution of public support to film production, 2010-2014



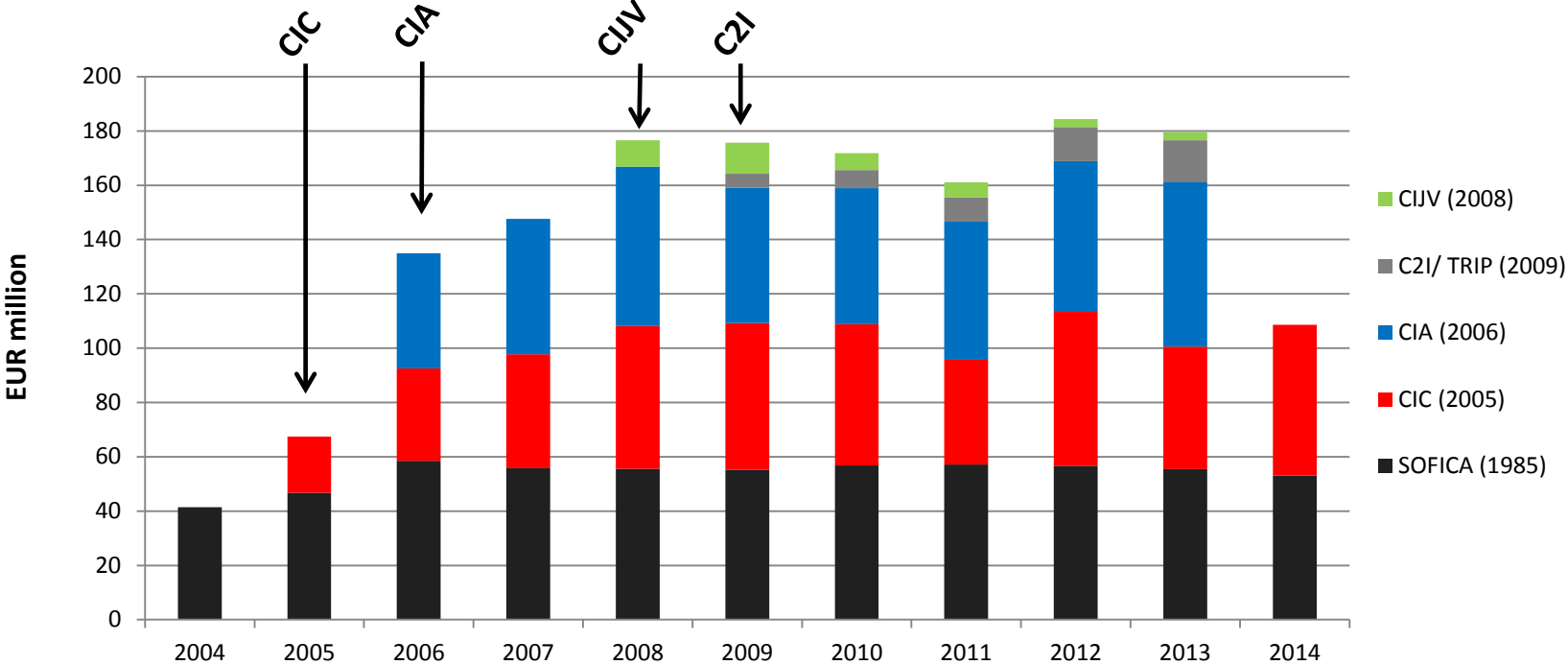
## Germany

Evolution of public support to film production, 2010-2014



# The launch of new fiscal incentives in France did not represented a reduction of the allocation for the existing ones

French fiscal incentives, 2004-2014



Source: CNC



# Impacts

# Limitations of impact measurement

- Causality** between different film policy measures and effects

Example: Production investment is increasing, but to which extent can this be linked to direct public funding and to which extent is it linked to additional fiscal incentive schemes?

- Lack of data**

Many countries do systematically collect the data which would be required to properly analyse impact of public support measures

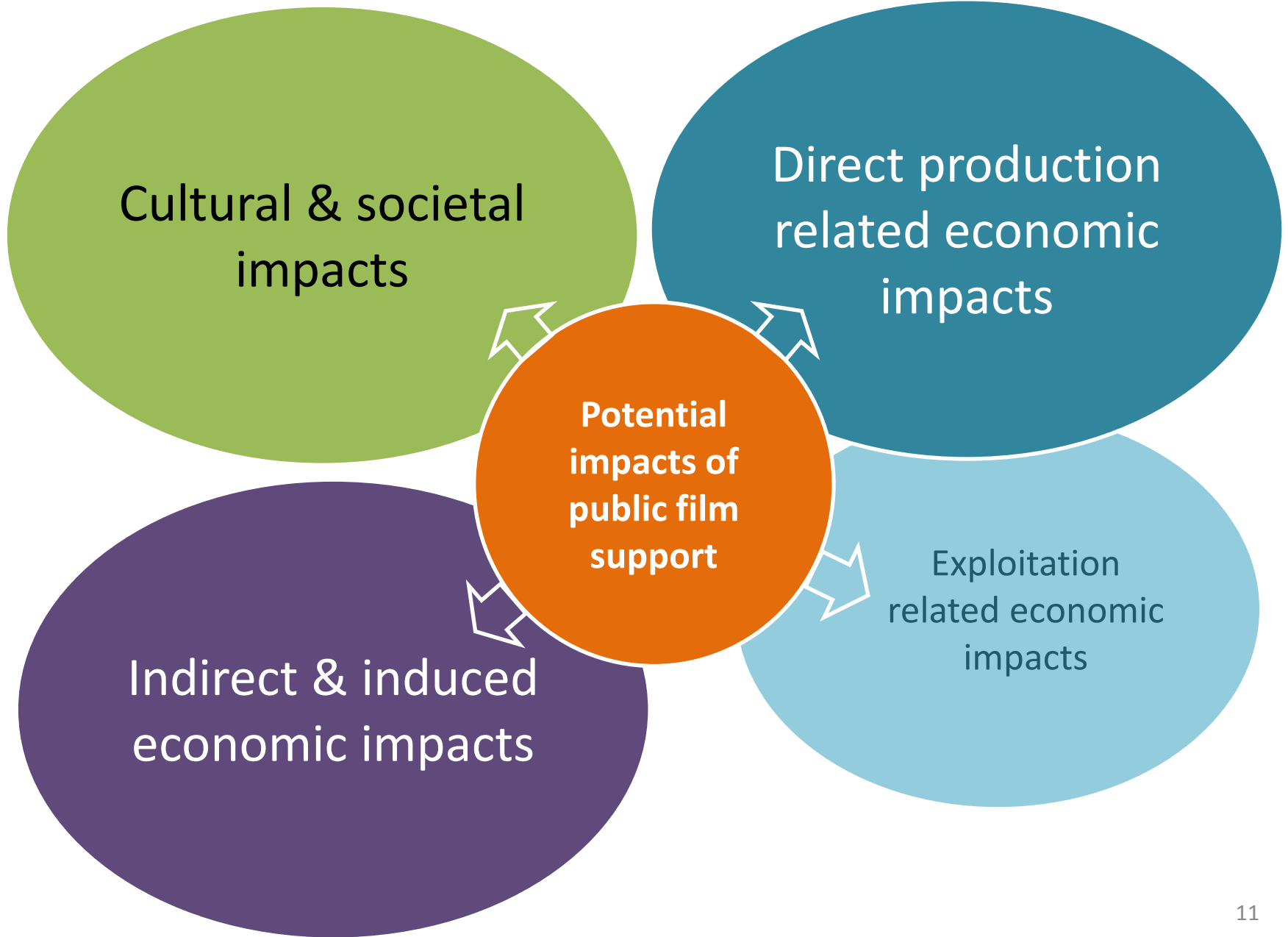
- Limited comparability** between European markets

... due to different methodologies → impossible to have a comprehensive “pan-European” analysis.

- ... but also between indicators: **no “global” indicator**

... as impacts take many different forms. And the methodology how to measure impact differs accordingly from one indicator to the next.

# Many impacts areas



# Direct production related economic impacts ...

**Growing film  
production volume**

Develop  
film & AV  
sector

Sector  
employment  
growth

GDP / GVA  
contribution

Attract  
portable  
productions

**Growing film  
production  
spend**

Stimulate  
international  
cooperation

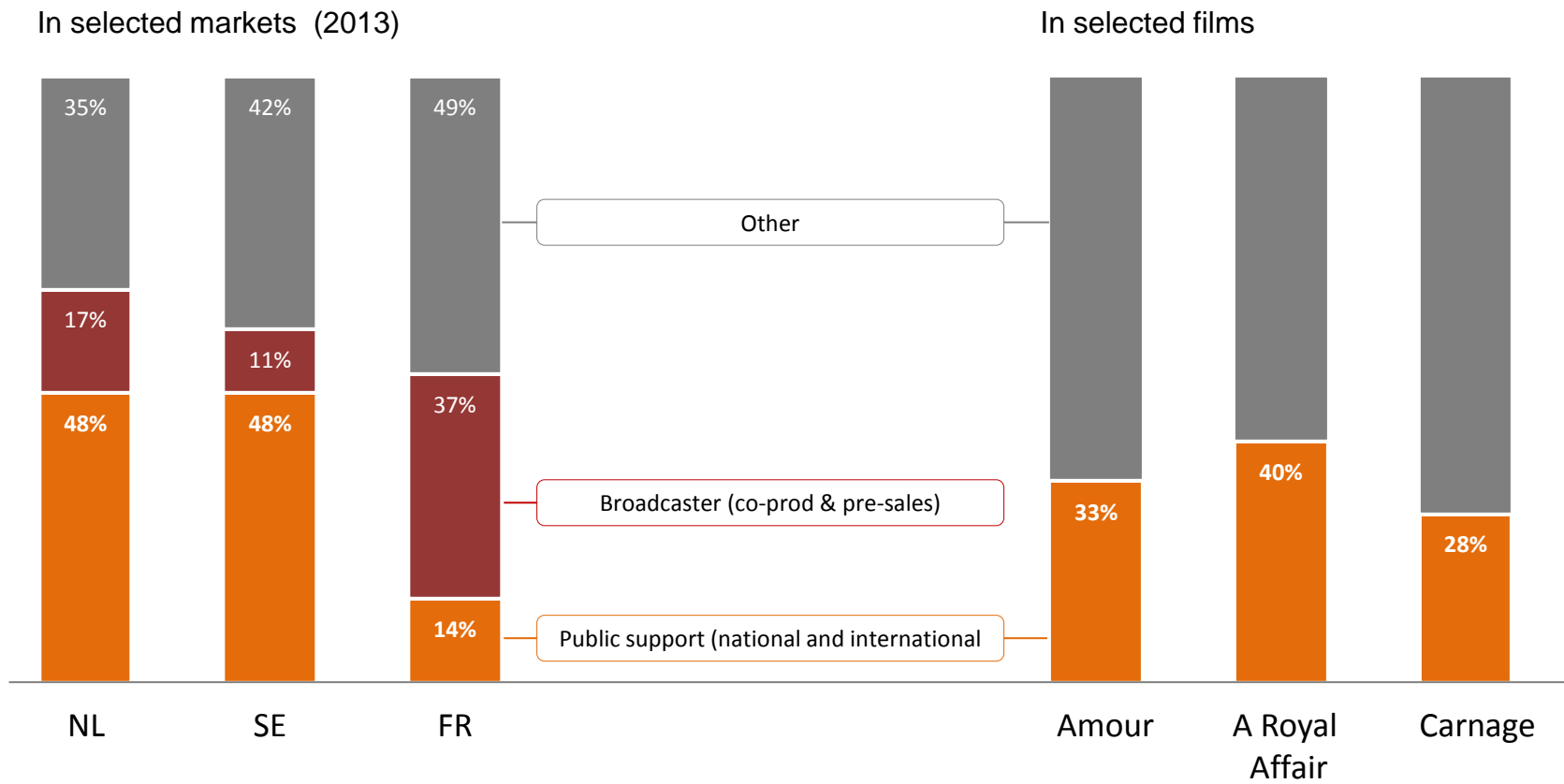
**Impacts of  
public film  
support**

The increase of public support can play an important role in increasing production volume and budgets...

...provided that infrastructure, talent and crews match this increase (otherwise it will only result in an increase of production costs)

### Share of public support in total production costs

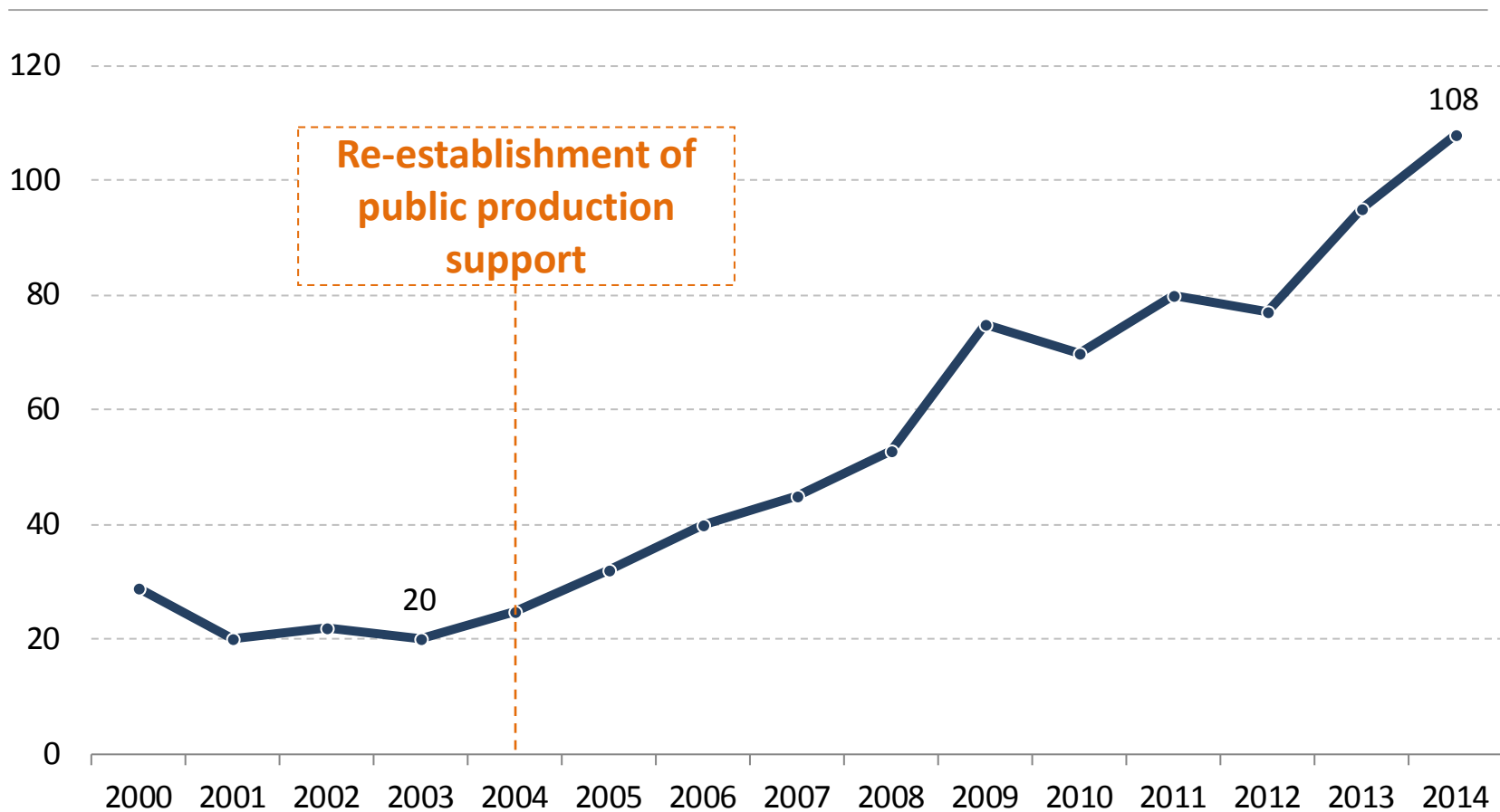
In %.



Sources: NFF, SFI, CNC, FIAPF, IVF, IFTA, OBS

### Turkey – Number of films produced 2000-2014

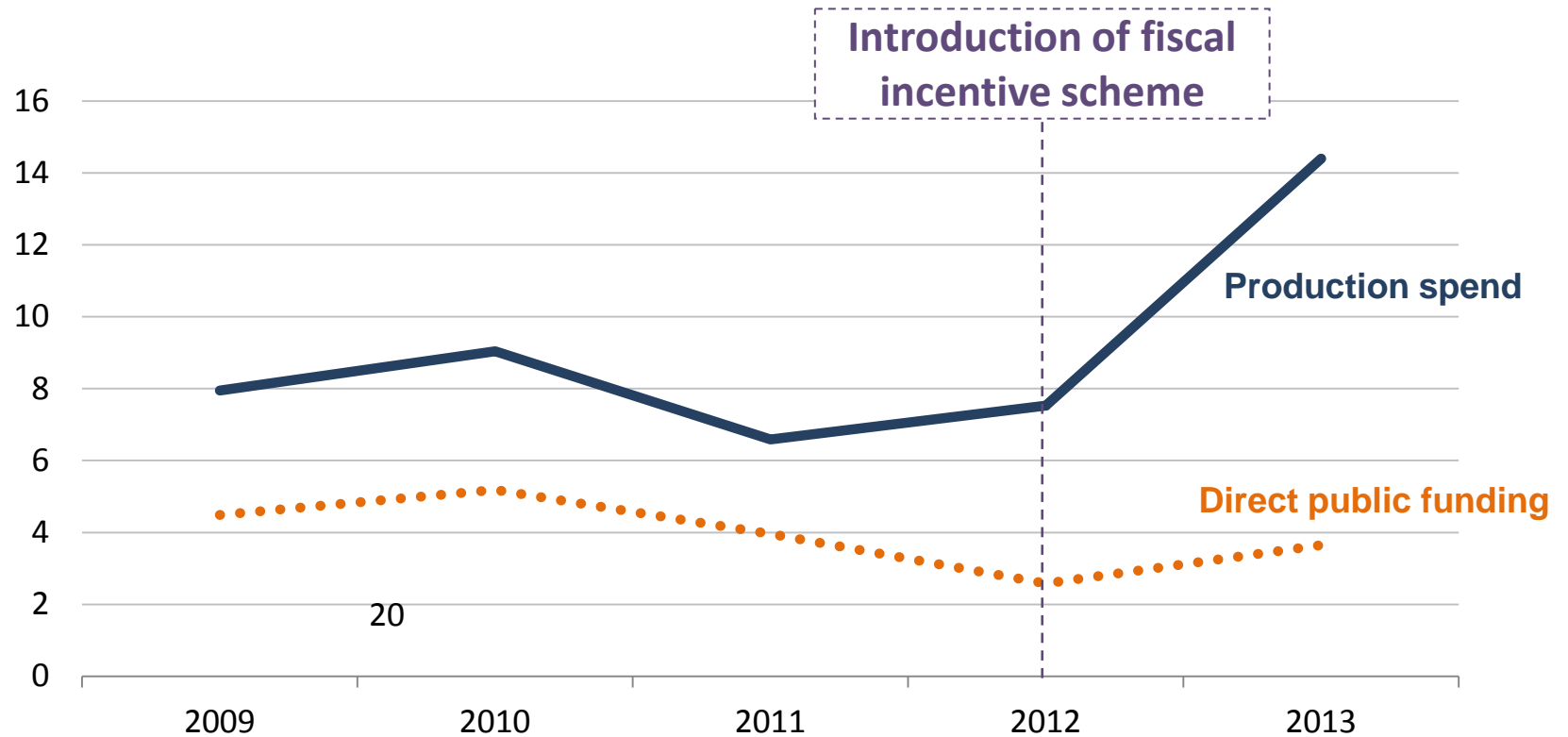
In units.



Sources: Antrakt, OBS

### Croatia – Production spend 2009-2013

In EUR mio (2013 prices).



Sources: Croatian Audiovisual Centre, Olsberg SPI



Public funding has  
the potential to stimulate  
international co-productions

...

and is a decisive factor in attracting  
portable productions,

...

but this is hard to quantify

## Qualitative research shows ...

Key findings from Olsberg study on fiscal incentive schemes suggest that ...

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- ... Public support - particularly fiscal incentives - can have a positive impact on the ability of countries to become attractive **co-production** partners. This tends to be the main reason for productions moving between European countries.
  - ... In addition, **international portable productions** generally flow into Europe rather than out of Europe, attracted by fiscal incentive schemes and direct public support schemes
  - ... Keep in mind: Public support (direct or through fiscal incentives) is only one of many factors affecting the production location decision
- 

Sources: Olsberg SPI

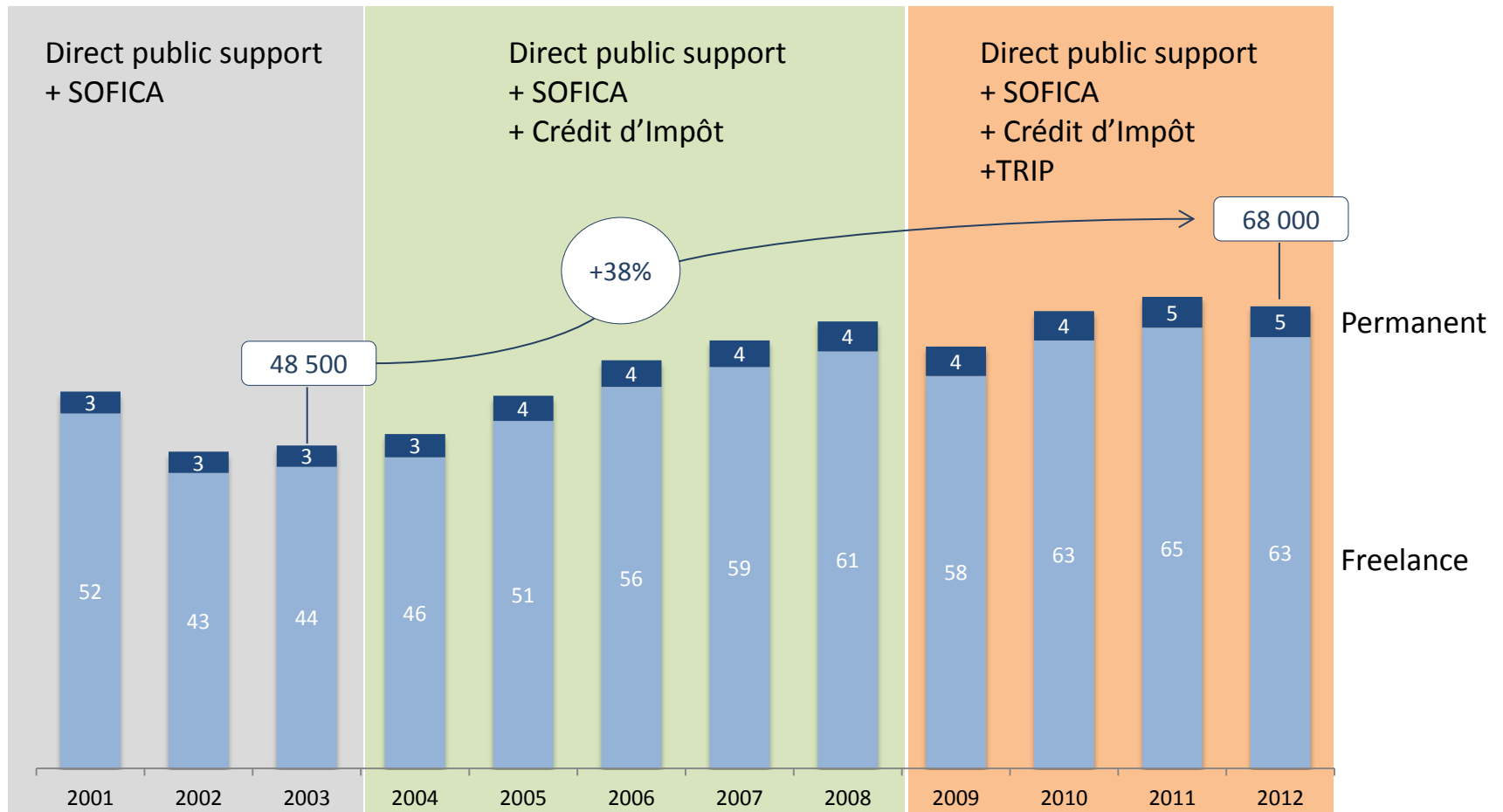
Public support is  
considered to stimulate  
employment growth  
in the film and audiovisual sector

...

but, again, this is hard to quantify

## France – Employment in French film production 2001-2012

In 1 000s.



Sources: EY/CNC, Olsberg SPI

## ... and qualitative research shows ...

Key findings from Olsberg study on fiscal incentive schemes suggest that

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- ... Alongside production levels and impacts, **incentives also stimulate significant employment growth**
- ... There is also evidence that these **workforces** are **mobile**, moving between adjacent countries to fill needs
- ... This contributes to **regional development** of the sectors, an **increase in co-production activity** and especially contributing to **skills development**

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Sources: Olsberg SPI

**Growth**  
in film and AV production  
drives growth in wider areas  
of the economy ...

# Exploitation related economic impacts

Impacts of  
public film  
support

Cinema exhibition

Distribution

VOD

TV

DVD / BluRay  
sector

# Multiplier & spillover effects

Impacts of  
public film  
support

Indirect impact

Induced  
impact

Growth  
driver for  
other  
creative  
sectors

Trade  
promotion

Film induced  
Tourism



# Film Tourism

## Examples for film tourism impact in destinations

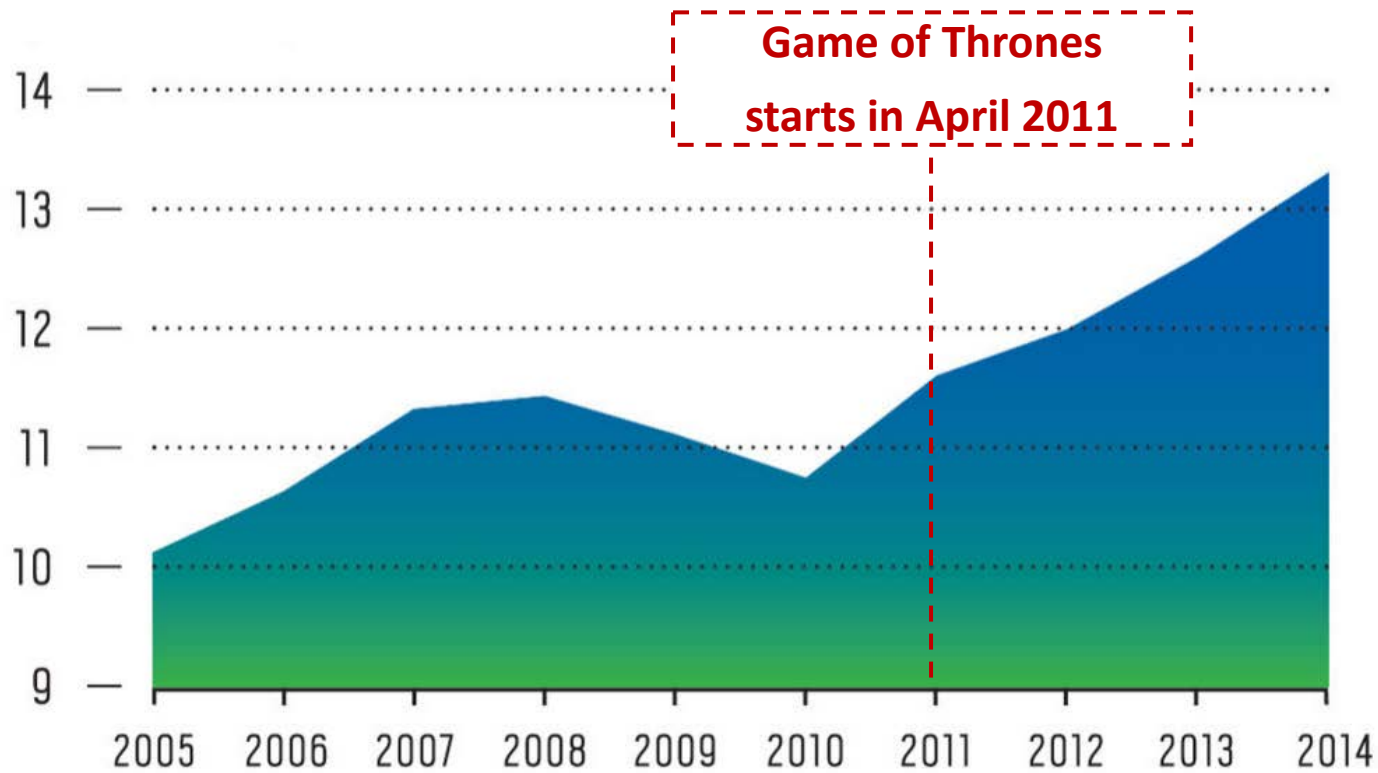
FILM / TV SERIES	LOCATION	IMPACT
Braveheart	Wallace Monument, Scotland	300% increase in visitors year after release
Dances with Wolves	Fort Hayes, Kansas	25% increase compared with 7% for 4 years before
Close Encounters of the Third Kind	Devils Tower, Wyoming	75% increase in 1975, 20% visit now because of the film
Field of Dreams	Iowa	35% visits in 1991, steady rise
Dallas	Southfork Ranch, Dallas	500,000 visitors per year
Lord of the Rings	New Zealand	10% increase every year 1998 to 2003 from UK
Steel Magnolias	Louisiana	48% increase year after release
Last of the Mohicans	Chimney Rock Park, North Carolina	25% increase year after release
Harry Potter	Various U.K. locations	All locations - increase of 50% +
Mission: Impossible 2	National parks, Sydney	200% increase in 2000
Gorillas in the Mist	Rwanda	20% increase in 1998
The Beach	Thailand	22% increase-youth market 2000
Four Weddings and a Funeral	The Crown Hotel, Amersham, England	Fully booked for at least 3 years
Saving Private Ryan	Normandy, France	40% increase - American tourists
Pride and Prejudice	Lyme Park; Cheshire, U.K.	150% increase in visitors
Troy	Canakkale, Turkey	73% increase in tourism
Captain Corelli's Mandolin	Cephalonai, Greece	50% increase over 3 years

Source: Horrigan, 2009. (edited from Hudson and Ritchie, 2006)

Sources: Turizam Volume 17, Issue 1: *Film Tourism: A Contemporary Resource for Promoting Serbia*

### Croatia – Tourism arrivals 2005-2014

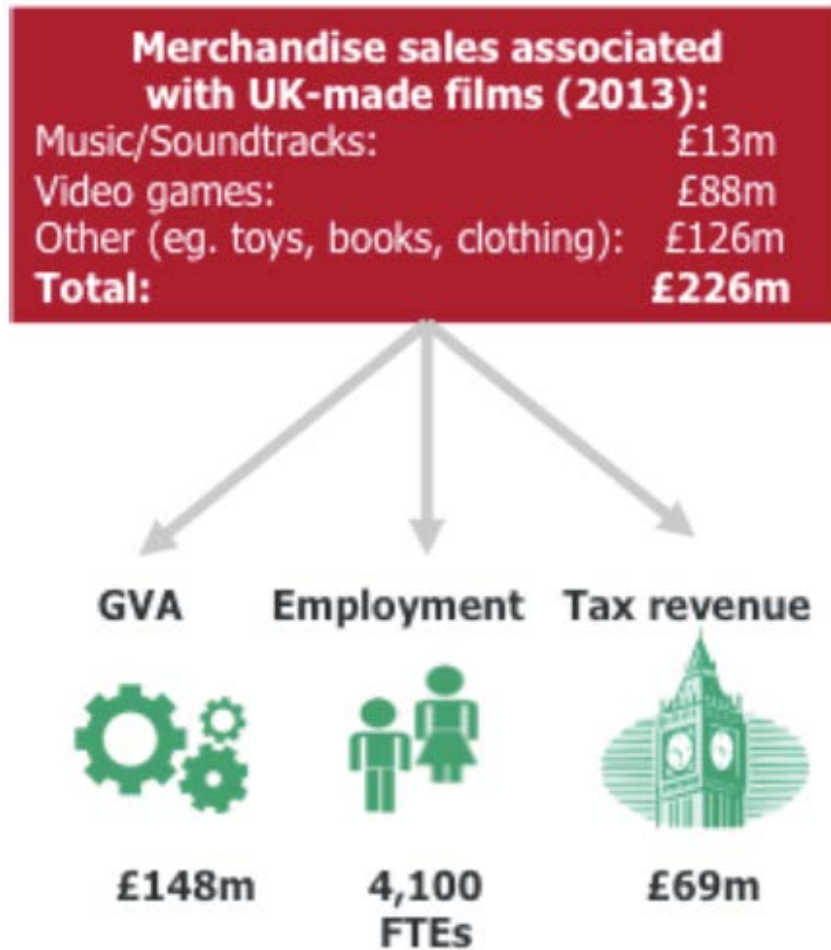
In millions.



Sources: Bloomberg Markets

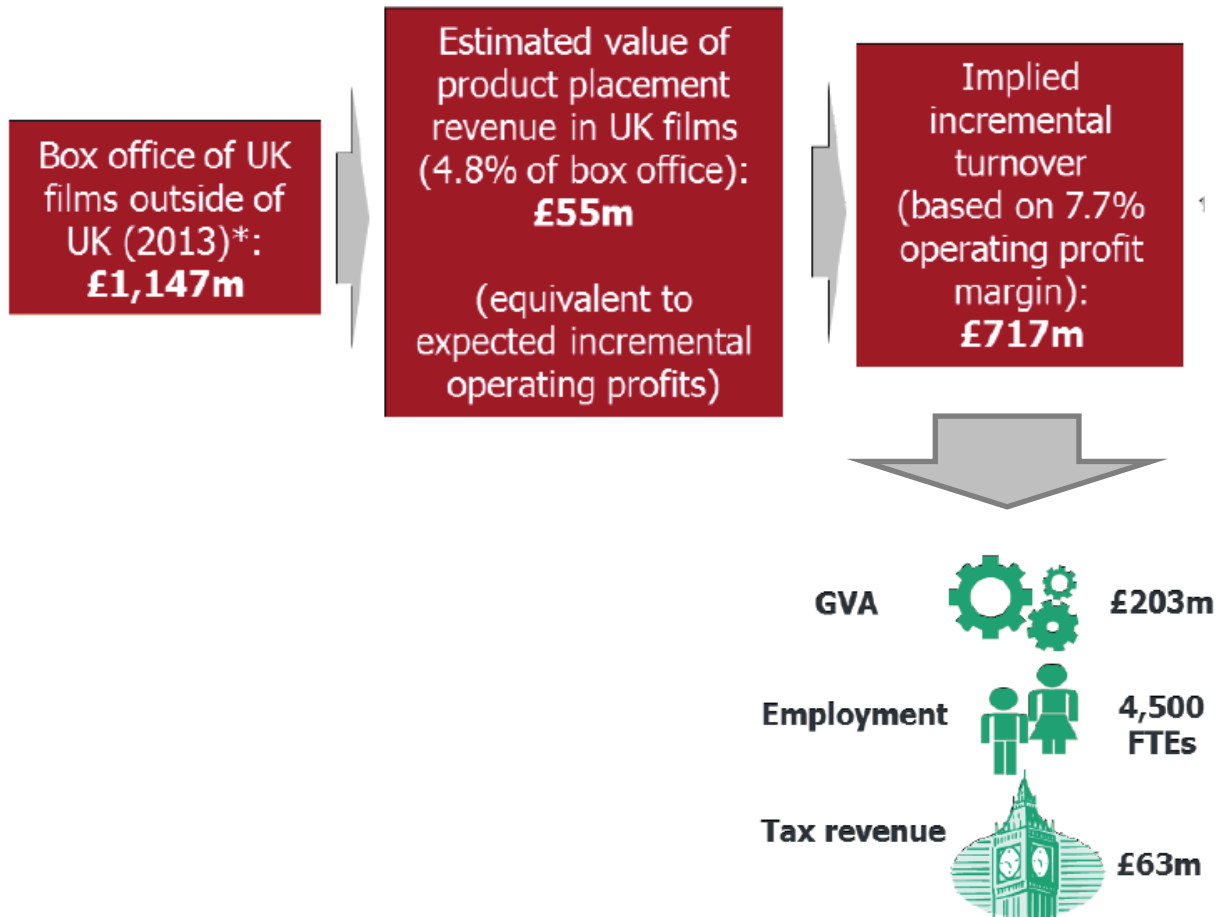
# Merchandise

UK – Economic impact of film induced merchandise sales in UK 2013



# Trade promotion

### UK – Economic impact of film induced UK brand promotion 2013



Sources: Olsberg / Nordicity analysis based on data from Oxford Economics, BFI, Rentrak, MPAA, HIS and ONS

# Cultural & social impacts ...

**Cultural  
diversity**

**Awards**

**Public  
diplomacy  
(Soft power)**

**Heritage  
awareness**

**National /  
European  
identity**

**Impacts of  
public film  
support**



# Public funding for award winning films

DK / SE / CZ



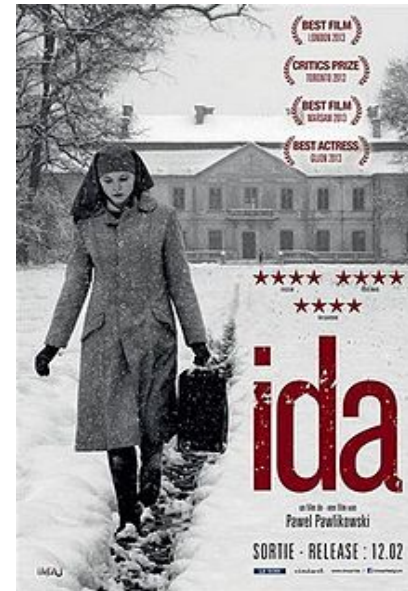
40%

FR / DE / PL / ES



28%

PL / DK



na

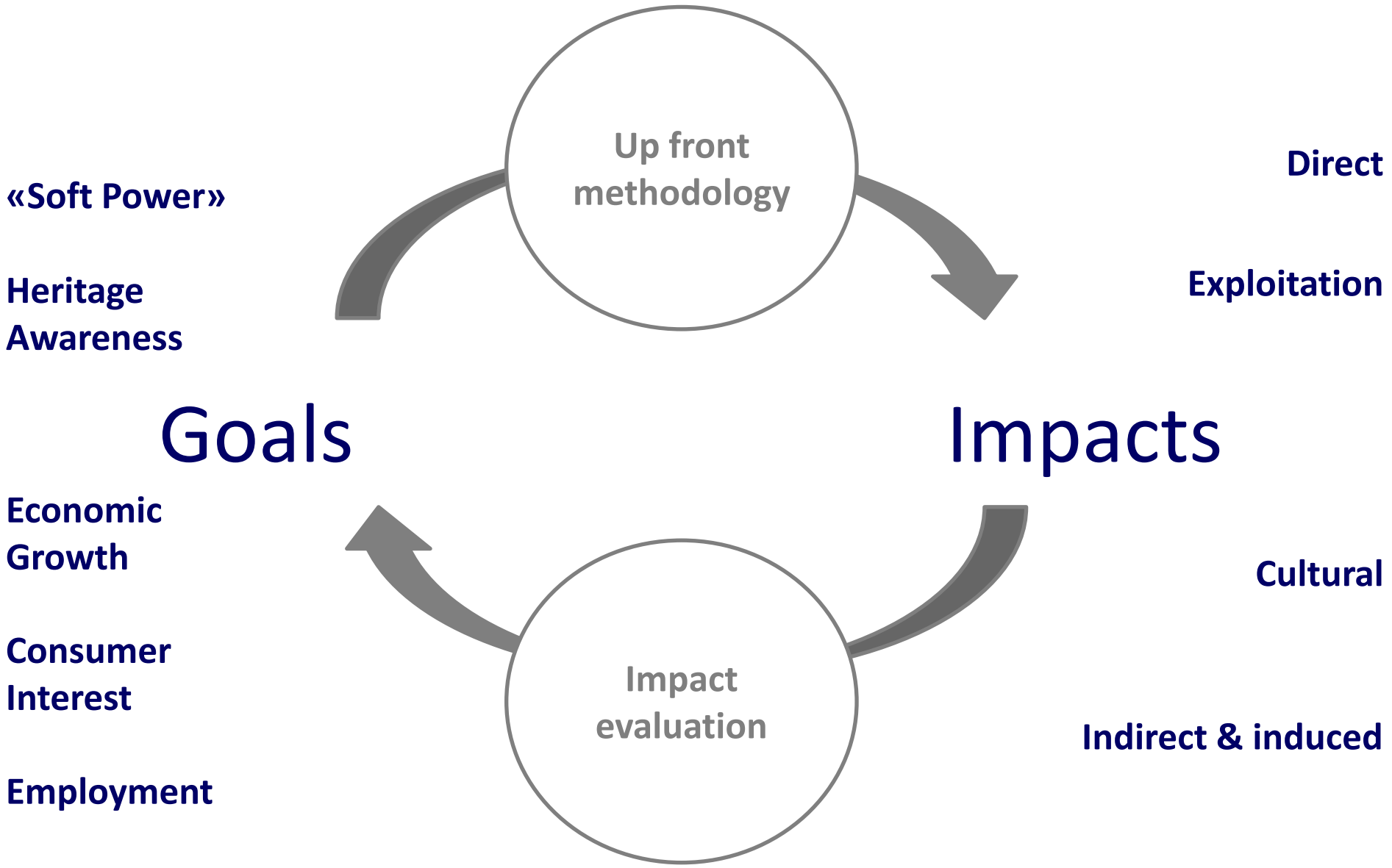
FR / DE / AT



33%

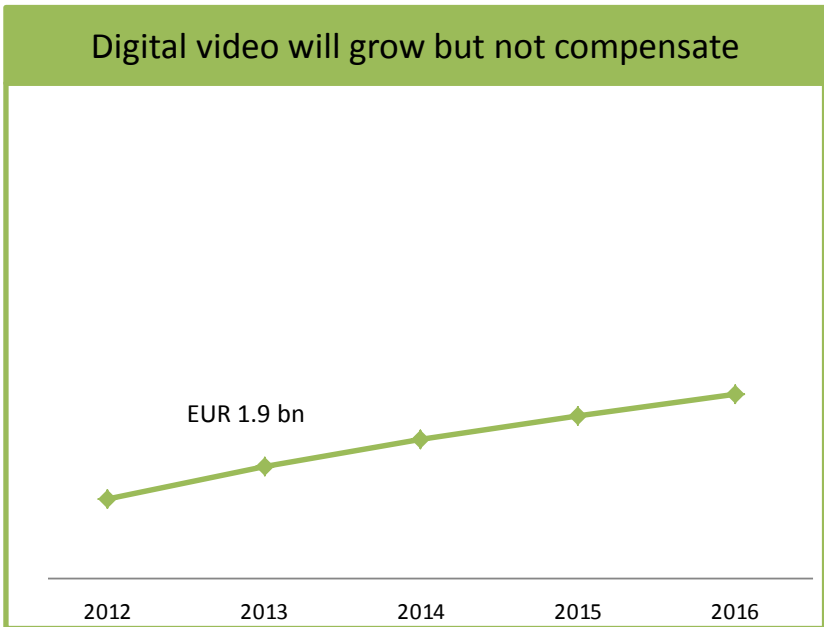
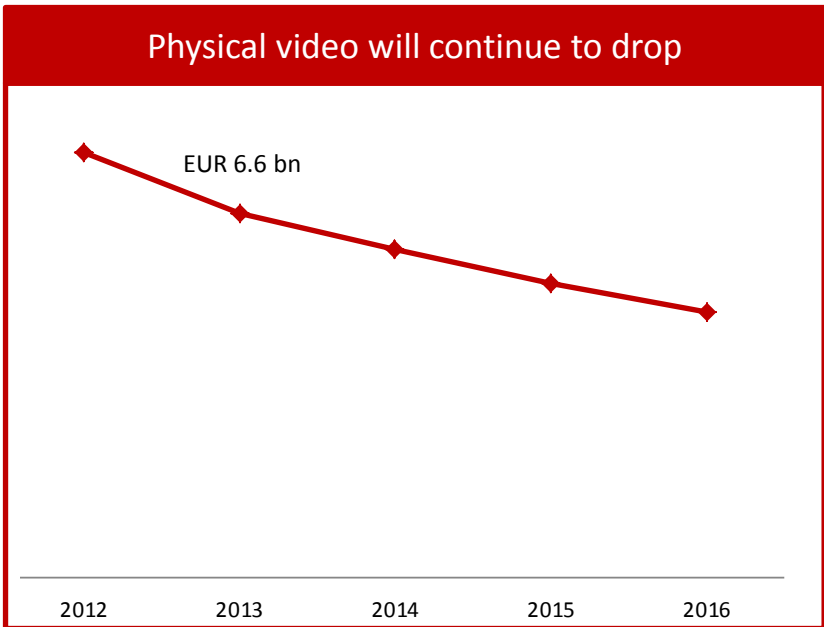
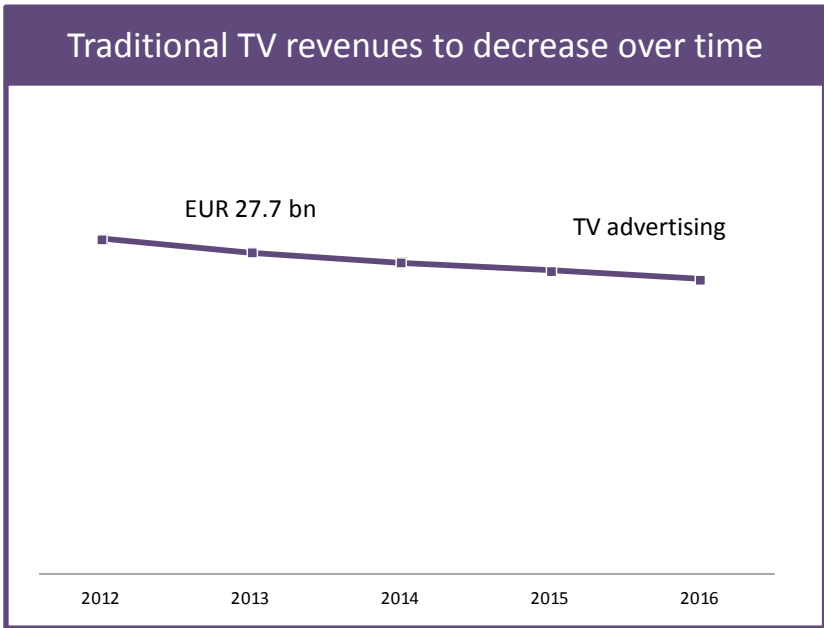
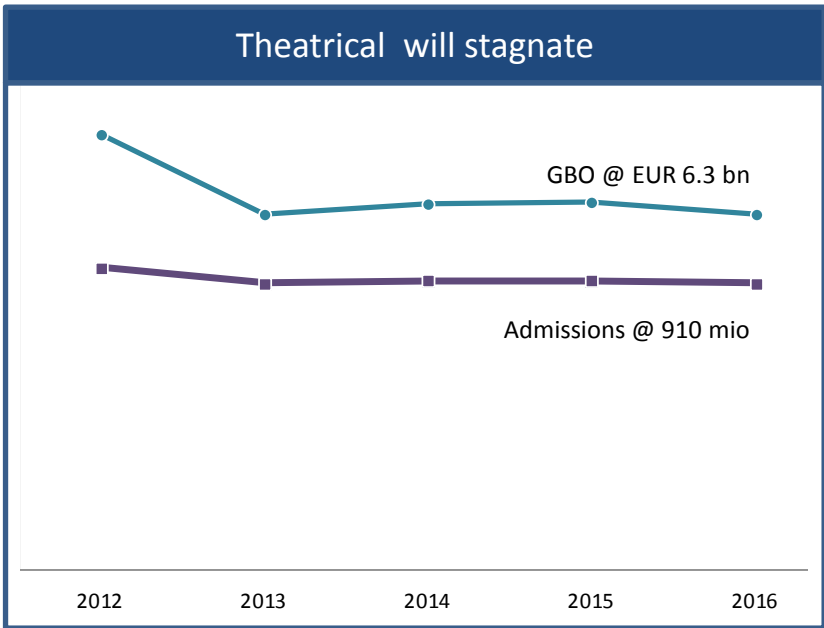
# 3. CONCLUSIONS

# 1 The need for goals hierarchy and impact assessment



# 2

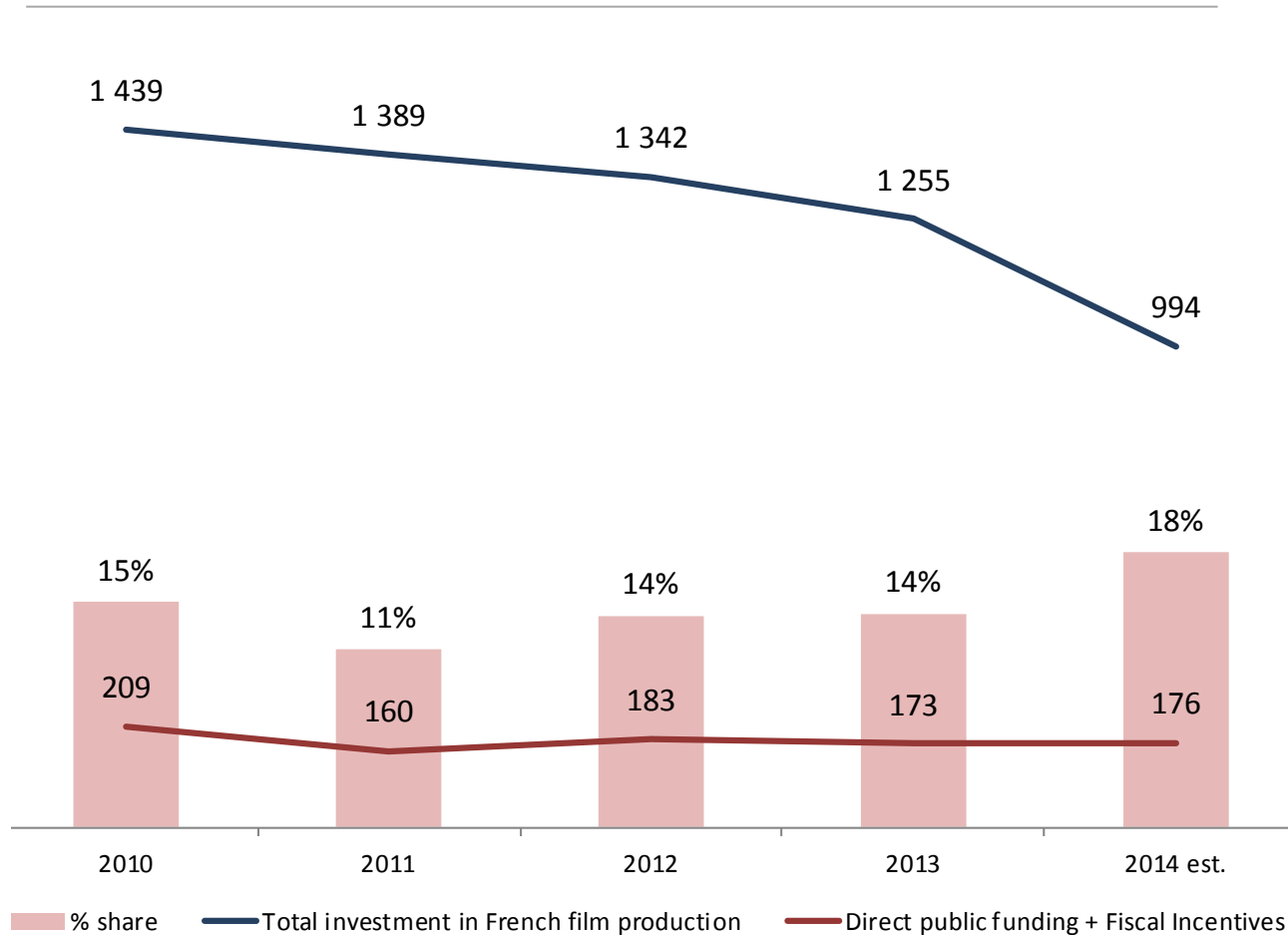
## Overall revenues to film industry likely to decline...



## 2. ...Public support could become proportionally even more important

### France – Public contribution to total production investment 2010-2014

In EUR million.



Sources: CNC, OBS

# Public Funding for Films and Audiovisual Works in Europe

An update of the OBS report on film funding in Europe will be released in 2016

It will include European as well as country-by-country figures on:

- Funding body population
- Income by type of source
- Spend by activity
- Trends in recent years

