FILM AND AUDIOVISUAL DATA COLLECTION PROJECT
PROJET DE COLLECTE DE DONNÉES SUR LE CINÉMA ET L'AUDIOVISUEL

STATISCAL DATA COLLECTION PROJECT ON FILM AND AUDIOVISUAL MARKETS IN 9 MEDITERRANEAN COUNTRIES

Country Profile: 1. EGYPT

EUROMED AUDIOVISUAL III / CDSU in collaboration with the EUROPEAN AUDIOVISUAL OBSERVATORY

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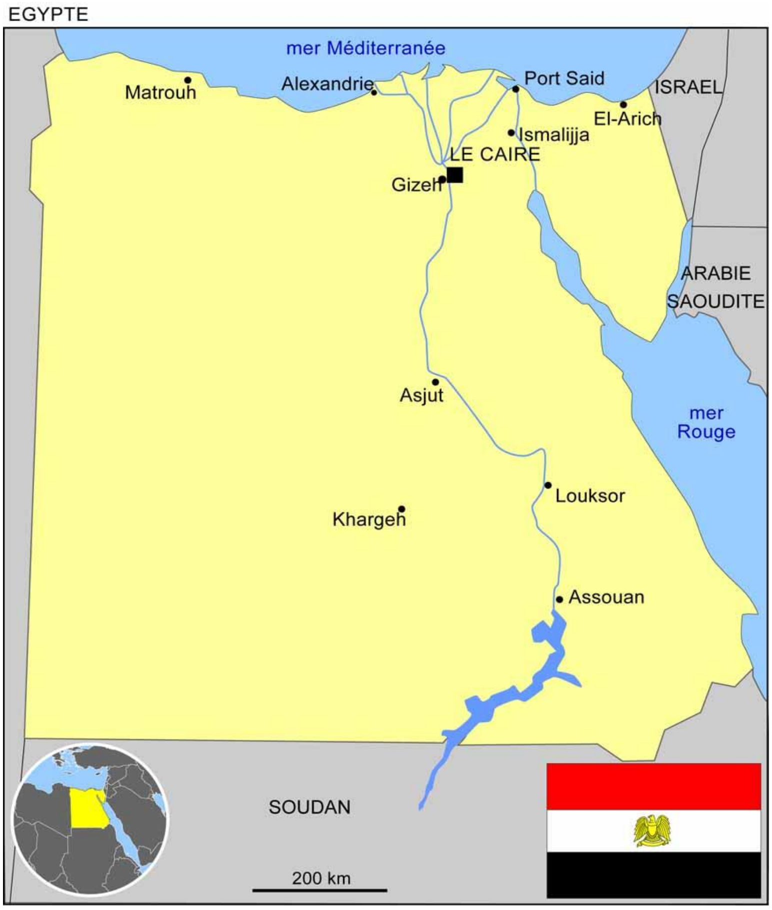
NATIONAL AUDIOVISUAL ENVIRONMENTS IN THE NINE PARTNER COUNTRIES

EGYPT



Population: **85.5** (estimation January 2012)

Surface area: 997.739 km²

Proportion of the population living on less than 2 USD/day (2009-UNDP): 18.5%

Currency/ rate of exchange: Egyptian pound EGP; 1 euro = 7.63630 EGP

1. BASIC DATA

1.1. Population

Egypt — officially ***Arab Republic of Egypt*** — extends over an area of 997,739 km² (in other words 1.8 times larger than France or two times Spain). The country is administratively divided in 29 governorates (*muhafazat*, singular form: *muhafazah*). Egypt is the most densely populated country of the whole Arab-speaking world: 78.8 million in 2006 (over 80 million in 2008), against 65.9 million in 1998 and 84 million in 2010. In January 2012, the population in Egypt was estimated at **85.5** million inhabitants, including 35.6 million living in Cairo.

95 % of the population lives in 5 % of the territory, which means the delta and the Nile valley. The rest of national territory is a large desert. In the inhabited part, density is 1540 by square kilometer; which is one of the highest in the world. It is also estimated that 46 % out of the 85 million Egyptians live in urban areas and that the literacy rate is 66%. Main cities are Cairo, Giza, Alexandria, Port Said, Suez, Luxor and Aswan.

46% of the population are between 15 and 49 of age, and 41% are below 15. Life expectancy is 62 for women and 57 for men. GDP (2010) was evaluated at 216.8 billion USD, and per capita at 2,771 USD. In May 2011, the official unemployment rate is of 11.9%[1].

1.2. Number of households and of TV households

Data on the number of households is published by CAPMAS, the official statistics institute in its paying service[2]. The data base *ITU World Telecommunications / ICT indicators 2011* gives the figure of 18.59 million households in 2010.

The same source provides a rate of television penetration in 2010 of 94 %, representing 17.5 million equipped households. The European satellite Eutelsat provides the very close figure of 17.4 million television-equipped households in 2010.

The organization in charge of measuring audience in Egypt, TNS, defines universe as having 7.269 million TV households[3].

1.3. Membership in active international in the audiovisual sector

Egypt is a member of the United Nations and of the various UN agencies playing a role in the audiovisual sector especially UNESCO and WIPO (World Intellectual

[1] Sources : CAPMAS, IMF, World Economic Outlook Database, Oanda currency converter, Treasury Executive Management, Publications of Economic Services, French Ministry of Foreign affairs, *Situation économique et financière de l'Egypte : quelles perspectives pour 2011-2012 ?,* June 2011.

[2] Population, households and public housing (http://www.capmas.gov.eg/database.aspx?access=denied&parentid=943&id=944)

[3] TNS TV Panel Diary, Egypt 2011 quoted in EURODATA-TV Worldwide, *One Year TV Worldwide-One Television Year* Paris, March 2012.

Property Organization). It is also a member of ITU (Specialized UN institution for information and communication technologies). Egypt is also member of the Arab League and ALESCO.

The public broadcaster, Egyptian Radio and Television Union (ERTU) is a member of nine active international organizations in the audiovisual field. They are the following:

- **ASBU** : Arab States Broadcasting Union
- **ABU** : Asia-Pacific Broadcasting Union
- **CMCA** : Mediterranean Centre for Audiovisual Communication
- **COPEAM** : Permanent Conference of the Mediterranean Audiovisual Operators
- **EBU - UER** : European Broadcasting Union
- **UAR** : African Broadcasting Union
- **URI** : Radio Union of Islamic countries
- **URTI** : International Radio and Television Union
- **OIF**: International Organization of Francophonie (Francophone Fund for south audio production).

2. TELEVISION MARKET IN EGYPT

2.1. Brief overview of the regulatory framework[1]

2.1.1. Telecommunications

The regulation of telecommunication activities and the management of the frequency spectrum are within the powers of the National Telecommunication Regulatory Authority (NTRA)[2] under the Telecommunication Regulation Law, (Law No.10 of 2003)[3]. The law determines the composition of NTRA, the licensing conditions, the spectrum management, the status of the national telecommunication company Telecom Egypt and the safety measures. One member of the public radio-television organization ERTU is on the Executive Board of NRTA.

A frequency plan was published in 2004.[4]

2.1.2. Radio-television activities

Television developed initially in the context of a monopoly of the State organization ERTU (See below). Law No.13 of 1979 on the Egyptian Radio and Television Union (ERTU)[5] (later amended by Law No.223 of 1989) establishes the legal monopoly of the organization.

Since the 1990's the Egyptian market was the target of private satellite channels launched by wealthy Saudis, which broadcast from London and Rome (like MBC and ART) before transferring their office to Dubai and Cairo. In order to counter the competition of private Arab satellite channels, the Mubarak system promoted public satellite channels broadcasting at first via Arabsat (Arab satellite communication organization). The launching of the satellite operator Nilesat in 1998 opened the way to a market of private satellite channels. In order to establish Egyptian hegemony over Arab satellite space, the same system approves the launching of private channels: three private channels doing terrestrial broadcasting emerged (in unclear legal conditions)[6].

A supposed draft law on radio broadcasting attributed to the government was published in 2008 by Almasry Alyoum. A non-official translation of the draft law to

[1] Provisional text to be reviewed according to collected information under the legal data base project of CDSU of Euromed Audiovisual III.
See also R. ALLAM (Lecturer in journalism and mass communication, American University of Cairo), "Media Landscape : Egypt", European Journalism Centre, 8 November 2010, http://www.ejc.net/media_landscape/article/egypt/
[2] www.tra.gov.eg/
3 www.tra.gov.eg/uploads/law/law_en.pdf
[4] http://www.tra.gov.eg/english/DPages_DPagesDetails.asp?ID=138&menu=1
[5] Translation into English available on the website of the Centre for Law and Democracy : http://www.law-democracy.org/?page_id=67
[6] R. ALLAM, quoted article.

English was published in 2008 by the website Arab Media and Society[1] and was subject to criticism by human rights international organizations.

There is no independent regulation body granting licences. Four Egyptian institutions share the authority to grant formal licences for satellite broadcasting: the Ministry of Information, the General Investment Organization, the General Information Organization and the operator Nilesat. Nilesat detains de facto, the keys of channel broadcasting and/or ban (as it was the case with Al-Jazeera during the revolution of 25th January 2011).

Following Mubarak's fall, the Supreme Council of the Armed Forces made a constitutional statement on 13th February 2011 which re-establishes freedom of expression, under some reservations of security, but does not deal with organizing the audiovisual system in any detail way[2].

The intention of restructuring the radio broadcasting sector, including by establishing a national regulatory authority to regulate the media sector, was announced[3].

It does not seem that new projects to regulate television are already developed in the new Parliament. Draft documents are proposed by groups of legal experts in the field of human rights who try to take international standards into account[4].

[1] http://www.arabmediasociety.com/topics/index.php?t_article=218

[2] http://www.egypt.gov.eg/english/laws/constitution/default.aspx See article 13: "Freedom of the press, printing, publication and media are guaranteed, and censorship is forbidden, as are giving ultimatums and stopping or canceling publication from an administrative channel. Exception may be made in the case of national emergency or time of war, allowing limited censorship of newspapers, publication, and media on matters related to general safety or the purposes of national security, all according to the law."

[3] This is quoted by Mohannad El-Megharbel, (Sr. Manager, Standardization & technical Issues, NTRA), "IPTV Challenges Egypt perspective", Presentation at the Joint ITU-AICTO Workshop on "Interoperability of IPTV in the Arab region" (Dubai, UAE, 20-21 September 2011). http://www.itu.int/ITU-T/worksem/iptv/201109/programme.html.Government. Statement of intention to be identified

[4] See for example "Egypt: Analysis of draft Civil Society RTI Law", on the website of the Centre for Law and Democracy, 13 March 2012, http://www.law-democracy.org/?p=1708

2.2. Modes of TV reception

2.2.1. Terrestrial network

State radio-television, ERTU, has its own network of terrestrial analogue transmission, confirmed by the law on telecommunications of 2004.

Transition towards terrestrial digital was the subject of a study in 2008-2009 commissioned by NTRA to Fraunhofer IIS and Fraunhofer Institute[1]. In Egypt, Fraunhofer IIS and Fraunhofer Institute developed a transition strategy to terrestrial digital. The study includes a detailed road map with the different stages to follow until analog transmission is switched off in the country; which is planned for 2014.
The road map describes the following six stages:

- Setting up a joint coordination group of “digital transition”.
- Deciding on a regional strategy
- Deciding on an economic model to set up networks in place
- Deciding on the set-top-boxes
- Planning the service
- Deciding on the use of spectrum, including the digital dividend.

Current information on the process development is not available.

2.2.2. Satellite

Egypt joined the satellite era in 1998 when its first satellite, Nilesat 101, was launched. The advent of Nilesat 102, the second satellite, marks the operator’s access to the club of world space. The operator’s third generation arrives in 2010 when Nilesat 201 is launched with enough orbital capacity to cover the Arab region, the Middle East, Southern Europe, South Sudan and upstream Nile countries. Nilesat offers 500 channels in addition to 560 presently transmitting. Undoubtedly Nilesat meets the country’s needs in the fields of information, communication, culture and education.

The satellite is the main reception mode for receiving television signals in Egypt. The reception of satellite channels (national, Arab or foreign / public and private) requires equipment at affordable prices, around 250 EGP, in other words 32 EUR.

According to the data published by the European operator Eutelsat in 2010, Egypt had 17.4 million TV households, including 11.3 equipped for satellite reception. According to the *Establishment Survey 2011* used by TNS, in 2011, 96% of households received television by satellite and only 4% by terrestrial analogue network.

[1] See B. BECKERT, “Digital Terrestrial Television in a developing country: Strategies for the transition including a roadmap (TK Egypt)”, Fraunhoffer-ISI, 2009, http://isi.fraunhofer.de/isi-de/t/projekte/bb_tk_egypt.php

The Egyptian satellite operator Nilesat[1] organizes the transmission of almost all Egyptian channels. In 2010, Eutelsat announced that 5.433 million Egyptian households can receive Hot Bird satellite signals (13° East).

2.2.3 Cable

In June 1990, Egypt introduced a system of cable television by creating "Cable News Egypt" (CNE). It resulted from an agreement between the Egyptian Radio and Television Union (ERTU) which, at CNE creation, held 50% of the shares, and private investors, CNN and MTV partners. The introduction of CNE in Egypt is a turning point in the history of audiovisual media in the country: for the first indeed, consumers could subscribe to an audiovisual service; besides, CNE programmes are neither Egyptian nor Arab. The penetration of private partners in television is carried out through multiple television programmes which they sponsor[2].

CNE broadcasts through two systems: wireless cable or UHF terrestrial encrypted retransmission for four channels: Super Sport, CNN International, M-Net (films), KTV (Kid's TV) and MTV on one channel, and a channel in a choice of three Showtime. The second system of CNE transmission is by DTH satellite for ART (Arab Radio and Television) and Western Showtime channels[3].

Since its advent, pay TV faced serious problems which hindered its success in Egypt. The satellite was introduced in the country together with the cable and Egyptians immediately discovered that they could view a number of Arab and foreign channels for just the price of the equipment without having to pay either for a special decoder or for a monthly subscription to pay channels. The language also hampered the success of cable in the country: apart from ART, all Showtime channels as well as 70% of Orbit channels broadcast in English.

2.2.4. Telephone networks / Broadband networks / IPTV

- ICT sector: Infrastructure indicators

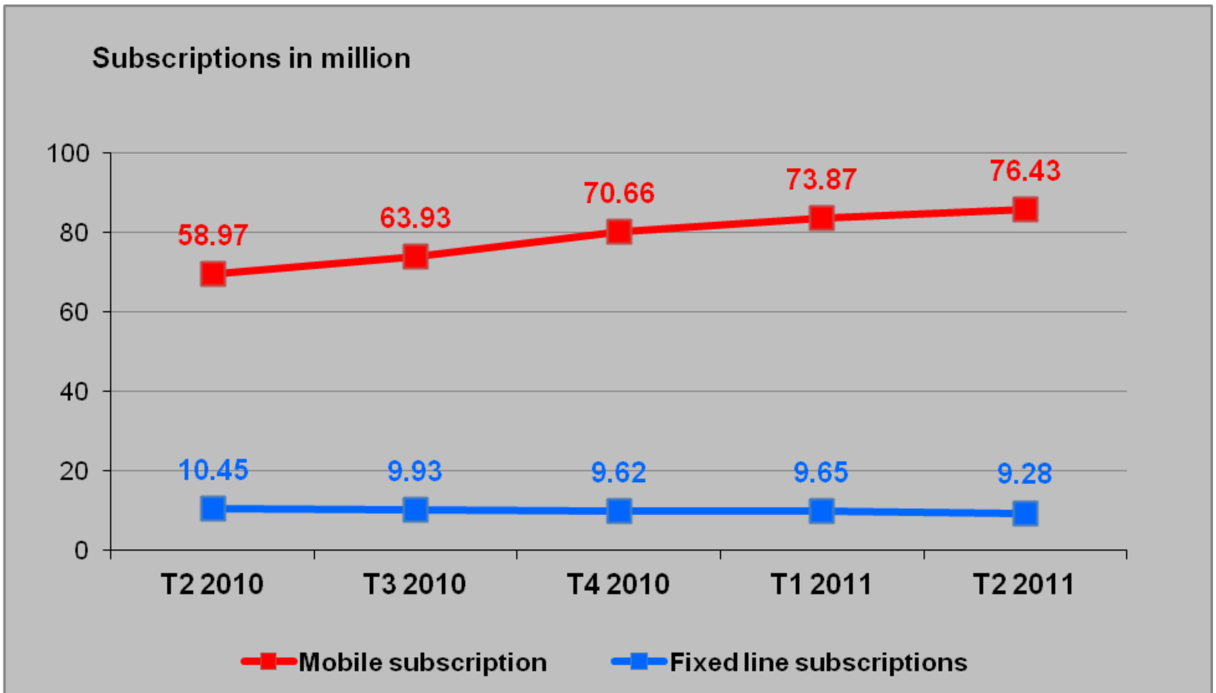
[1] http://www.nilesat.com.eg

[2] Tourya Guaaybess, « *La télévision égyptienne de l'ère hertzienne à l'ère satellitaire. Restructuration d'un champ audiovisuel* », Egypt/Arab world, First series, Mixtures, [Online], posted on 08 July 2008. URL : http://ema.revues.org/

[3] Sherin Moody, "*Pay-TV in Egypt: Impediments and Developments*", TBS Archives 2, issue n.2, Spring 1999, www.tbsjournal.com

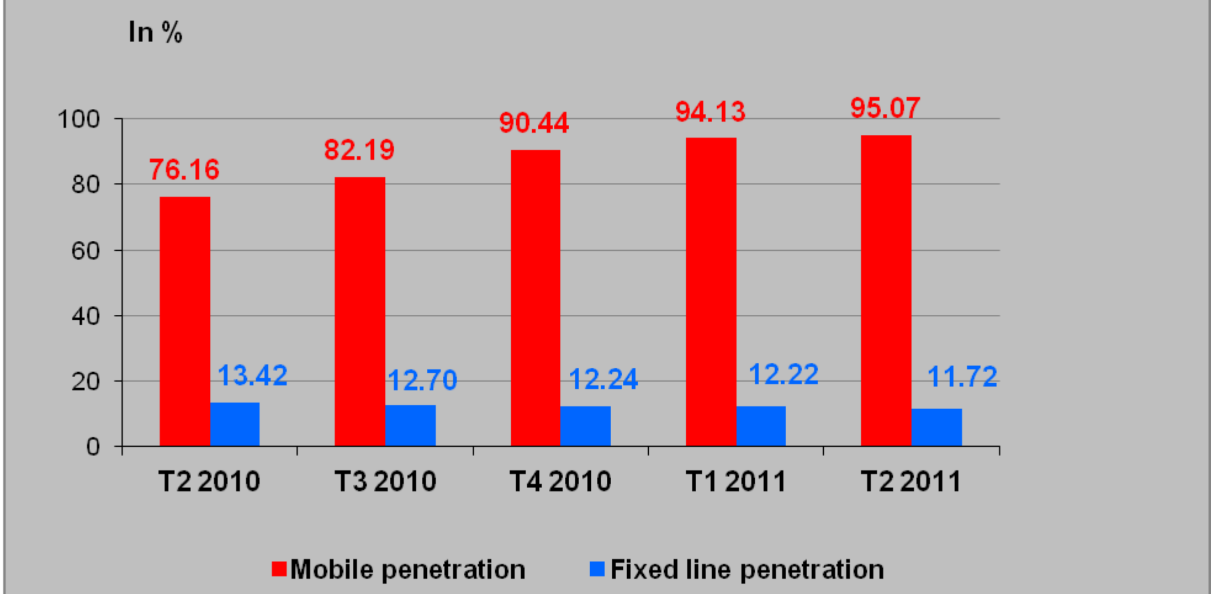
ICT Sector: Infrastructure Indicators	Unit	Q2 2010	Q1 2011	Q2 2011	Quartely growth rate	Annual growth rate
Mobile subscription	Million	58.97	73.87	76.43	3.47	29.61
Mobile penetration*	%	76.16	94.13	85.07	0.94	18.92
Fixed line subscription	Million	10.45	9.65	9.28	-3.86	-11.18
Fixed line penetration*	%	13.42	12.22	11.72	-0.50	-1.70
Estimated Internet users	Million	19.66	24.15	25.87	7.12	31.62
Internet penetration*	%	25.38	30.77	32.18	1.41	6.80
ADSL subscription	Million	1.19	1.49	1.6	7.38	34.45
Proportion of Internet broadband users	%	84.18	87.18	88.04	0.86	3.86
International Internet brandwith	Gbps	118.37	137.3	134.72	-1.88	13.81
* Growth rates are calculated as the difference between penetration rates in different time intervals according to the latest financial figures released by ICT companies						
Source:"Information and Communications Technology Indicators Bulletin", June 2011, Quarterly Issue.						

- Fixed line and mobile subscription



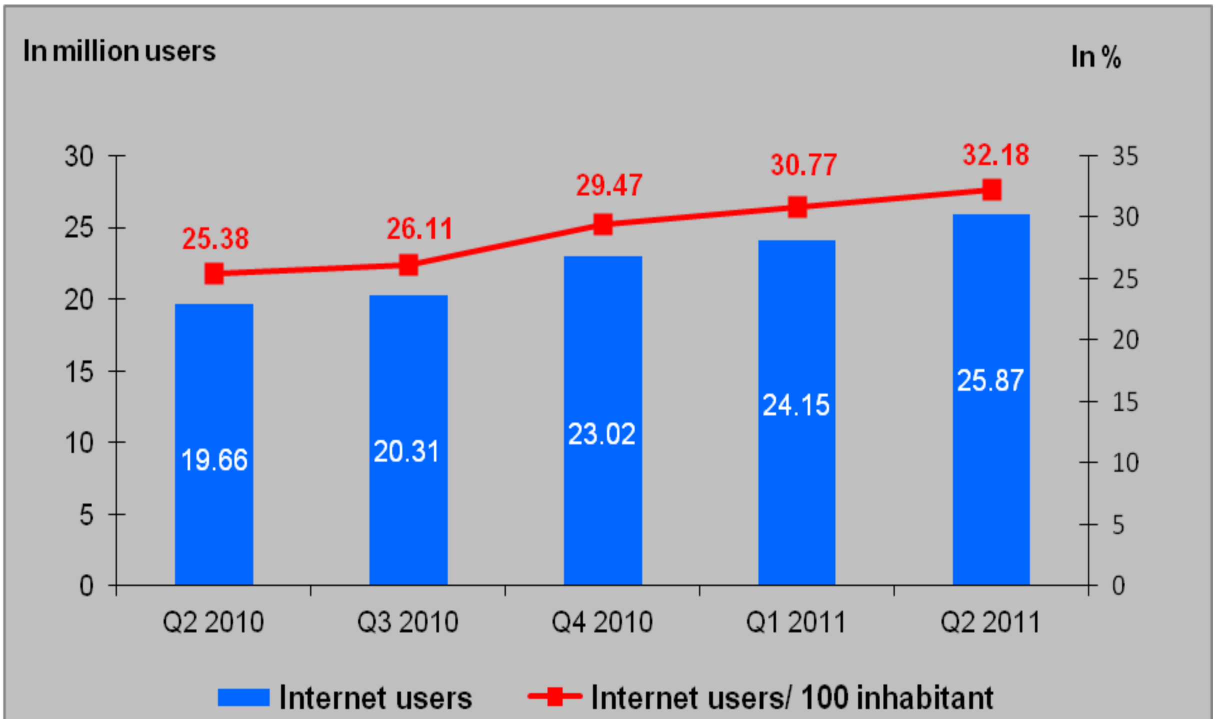
Source: "Information and Communications Technology Indicators Bulletin", June 2011, Quarterly Issue

- Fixed line and mobile penetration



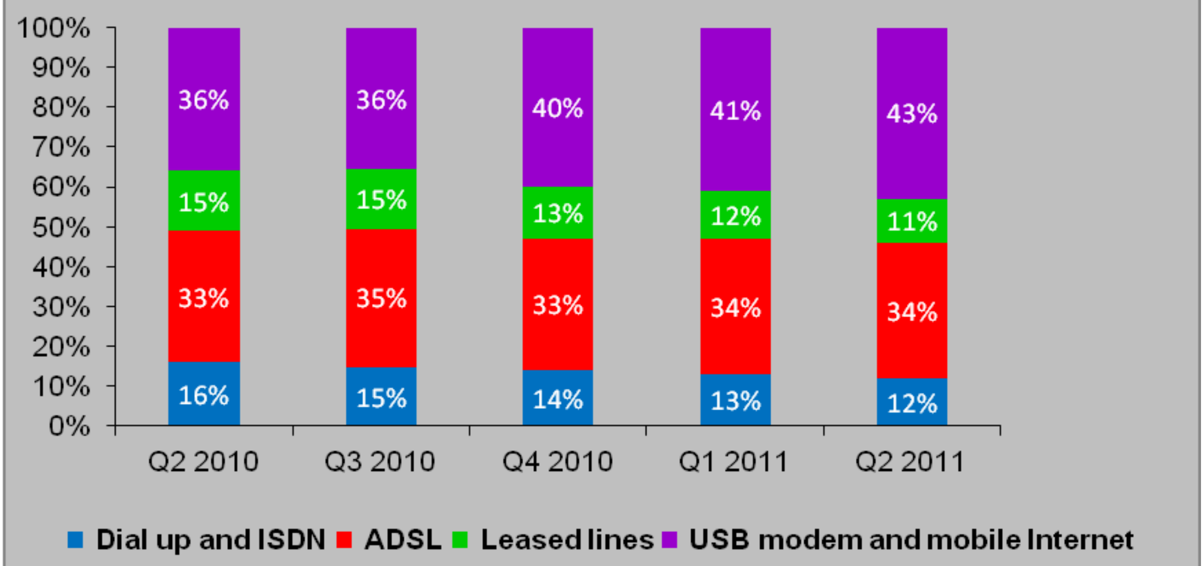
Source : "Information and Communications Technology Indicators Bulletin", June 2011, Quarterly Issue.

- Number of internet users (estimations*)
  * Including users of mobile modems and USB



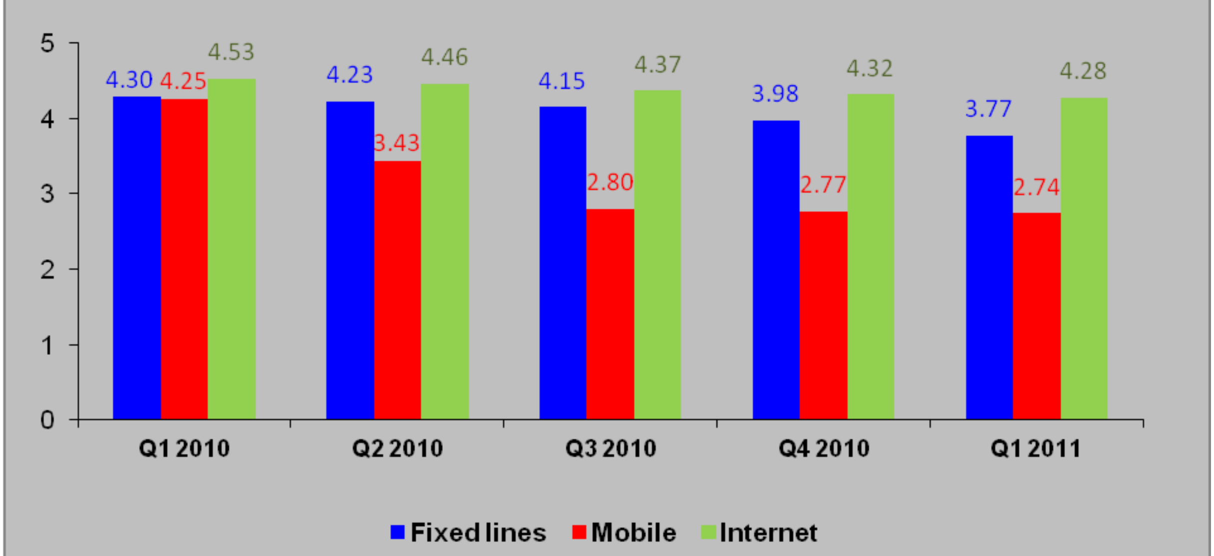
Source : "Information and Communications Technology Indicators Bulletin", June 2011, Quarterly Issue.

- Internet users by access mode



Source: "Information and Communications Technology Indicators Bulletin", June 2011, Quarterly Issue

- Rates of ICT services



Source: "Information and Communications Technology Indicators Bulletin", June 2011, Quarterly Issue

2.2.5 IPTV

IPTV on ADSL has been developing since 2006, and optic fibre networks since 2009.

"Telecom Egypt" launched IPTV on ADSL in 2006, called TE-VU, via its subsidiary supplier of Internet access TE Data. The development of optic fibre networks in the new real estate projects could lead to developing IPTV. In October 2009, Telecom Egypt announced the launching of its first network of Fibre-to-the home (FTTH) in Cairo Qatamiya neighbourhood. These networks provide customers with a triple-play service: telephone, Internet, IPTV (Telecom Egypt, press release, 13th October 2009). In 2010, Palm Hills Developments was the first real estate investor to integrate a fibre-to-the home network (FTTH)[1].

NTRA examines Internet and IPTV development challenges, especially after online video gained much importance with the events of January-February 2011.[2] According to Mohannad El-Megharbel, (Sr. Manager, Standardization & technical Issues, NTRA), IPTV Egyptian operators should create new economic models to make offers combining the basic packages of TV Channels with premium services such as:
- Interactive teleshopping,

[1] Digital Production Middle East, 17 March, 2010, http://www.digitalproductionme.com/article-2473-anevia-scores-egyptian-iptv-deployment/

[2] Mohannad El-Megharbel, (Sr. Manager, Standardization & technical Issues, NTRA), "IPTV Challenges Egypt perspective", Presentation at the Joint ITU-AICTO Workshop on "Interoperability of IPTV in the Arab region", (Dubai, UAE, 20-21 September 2011). http://www.itu.int/ITU-T/worksem/iptv/201109/programme.html

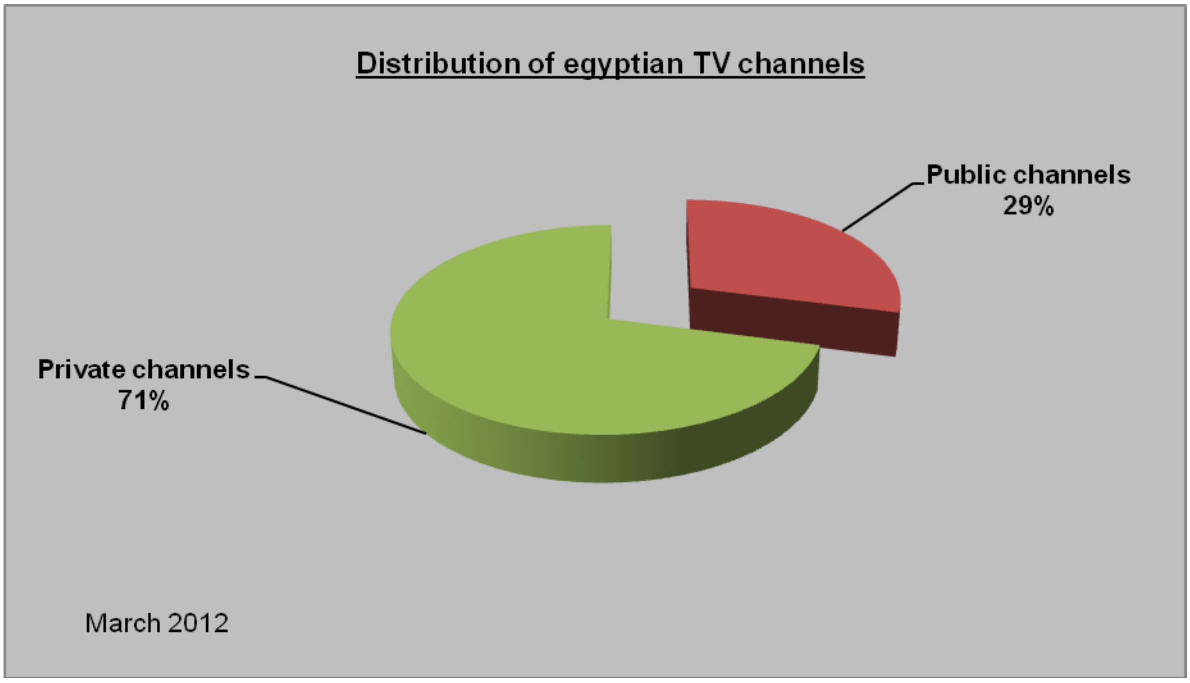
- Information services,
- Games,
- 3D contents
- E-Services (training, health, administration)
- Multi-screens (tablets, Smartphone, smart TV, etc.)

2.3. Channel offers

2.3.1 Number of television channels

The Egyptian market of audiovisual services mainly consists of local and satellite channels of the public broadcasting company, ERTU, as well as around one hundred private satellite channels. In the absence of an independent regulation body, as previously indicated, there is no official register of channels. To determine the number of Egyptian channels, we resorted to the website Lyngsat and its lists describing in a detailed and accurate way what channels offer globally on satellites that is widely recognized as relevant by professionals in the field. (See 1st part).

In total, there are over 120 Egyptian channels offered, not counting the many others broadcast on satellite from abroad.

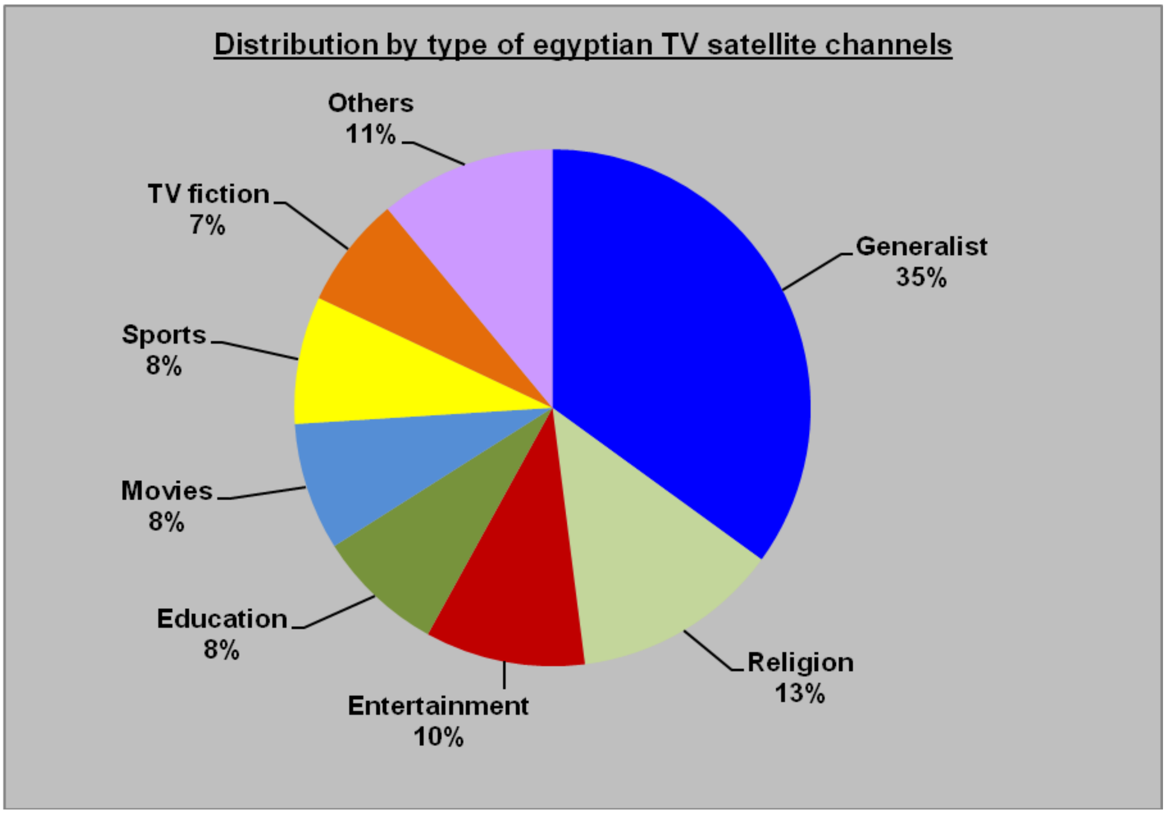


Private channels represent 71% of Egyptian television offer. Most channels are unencrypted. The only operator of pay-platform in the country is ART (with mainly Saudi funds). Other Arab operators of pay-platforms like Orbit and Al-Jazeera share with ART the market of channels available on subscription. But these are not Egyptian channels.

29 % of offered Egyptian channels are public channels owned by ERTU (See below: 3.1 ERTU). With 35 satellite channels, Egypt, via ERTU, is the only country of the Arab-Mediterranean region with such a high number of State satellite channels.

2.3.2. Distribution of channels offer by type

Classification by type indicates that general-interest channels rank first with 35%. The recent rise of religious channels (10 Islamic and 6 Christian) places them in second position with a hierarchy of 13%. Entertainment channels come third with 10% of offers. Movie, sports and education channels represent 8% for each category followed by channels of television series with 7% of the offer. The remaining share of 11% includes a variety of types of channels distributed as follows: family, tourism, musical programmes, lifestyle, and parliamentarian.



3. PUBLIC RADIO TELEVISION SECTOR: ERTU; PRODUCTION INFRASTRUCTURE NETWORKS

3.1. ERTU (*Ittihād al-Idhā‘ah wal-Tilīfizyūn al-Miṣrī*)[1]

The Egyptian Radio and Television Union (ERTU) is the historical public body, established in 1970. ERTU is located in a huge building called Maspero, in tribute to the French archeologist of the same name, topped by a tower which in 2012 hosts over 40,000 employees in ten various specialized areas. The corporation, which includes radio and television, is the only national radio-television company in the country. Since its creation it was placed directly under the Egyptian Ministry of Information.

3.2. Terrestrial television channels

The first Egyptian television channel was born on 21st July 1960. Its audiovisual services continued until the Egyptian Radio and Television Union (ERTU) was created in 1970.

In 2012, through terrestrial analogue and satellite transmission, ERTU operates:

- Two general-interest television channels: (*CH 1)* and (*CH 2*) broadcasting by terrestrial and satellite means;

- Two main satellite channels:
  - Al Masriyah 1 or ESC 1 inaugurated in 1990;
  - Following the events of 11th September 2001 and in order to link with Egyptian and Arab communities abroad, ERTU launched Al Masriyah 2 or ESC 2 in 2002.

The television network “Al Mahroussa” includes six regional channels broadcasting in the various governorates of the country. It was born in July 2009 as part of a process of restructuring and regulating television channels. However, all its component channels were created between 1985 and 1996.

[1] http://www.ertu.org

Channel	Date of first airing
ERTU 1	21 July 1960
ERTU 2	21 July 1961
ERTU 3 (Cairo TV)	6 October 1985
ERTU 4 (Canal TV)	6 October 1988
ERTU 5 (Alexandria)	12 December 1990
ERTU 6 (Delta TV)	29 May 1994
ERTU 7 (North Upper Egypt)	29 July 1994
ERTU 8 (South Upper Egypt)	31 May 1996

Total broadcasting hours of ERTU's terrestrial and regional channels (2007-2011)
Including feature films, short-films, TV films, series, animation, diverse programmes

Channel	2007	2008	2009	2010	2011
ERTU 1	8166.48	8308.53	8412.30	8517.30	8760
ERTU 2	6935.32	6944.42	7332.1	7832.17	8323
ERTU 3 (Greater Cairo)	6103.30	6390.23	6450	6695.58	6674.50
ERTU 4 (Suez)	5882.14	6008.42	6001	5980.40	6614.45
ERTU 5 (Alexandria)	5874.19	5907.25	6042	6082.48	6524.30
ERTU 6 (Central Delta)	5897.10	5822.15	5814	5765.40	6668.41
ERTU 7 (Upper Egypt)	5789.16	5899.15	5812.15	5890	6456.20
ERTU 8 (North Upper Egypt)	58053.53	5942.14	5960	5971	6384.45
TOTAL	**50469.06**	**51223.49**	**51823.55**	**52734.33**	**56405.39**

Source: ERTU Guide (2011)

- The two main satellite channels ESC1 and ESC 2 provide continuous transmission since 2007, as indicated through the following data over the total number of broadcasting hours.

Total broadcasting hours of the two main satellite channels (2007- 2011)

Channel	2007	2008	2009	2010	2011
ESC 1	8760	8760	8760	8760	8760
ESC 2	8760	8760	8760	8760	8760
Total	**17 520**	**17 520**	**17 520**	**17 520**	**17 520**

Source: ERTU Guide (2011)

3.3. NTN and NILE Thematic networks

NTN**:** Nile Television Network was founded on 1st October 2008 and is one of ERTU's public networks. It includes 6 entertainment channels broadcasting by terrestrial analogue and satellite means as well as via internet (www.ntntv.net).

NILE Thematic**:** the network consists of twelve specialized channels in educational, cultural and societal topics.

- Nile Educational Channel alone is a package of six educational channels covering all the levels of public education in Egypt.

- Nile Informations is an electronic channel offering various information services in Arabic and English. The services of the channel are available on its web page: www.niletext.gov.eg

<u>NTN channels</u>

1- **Nile Drama 1**
2- **Nile Drama 2**
3- **Nile Cinema**
4- **Nile Life**
5- **Nile Comedy**
6- **Nile Sports**

<u>NILE Thematic channels</u>

1- **Nile Culture**
2- **Nile Family & Kids**
3- **Nile El Manara (science channel)**
4- **Nile Educational (package of 6 channels)**
5- **Nile Higher Education**
6- **Nile Informations**

- The following distribution, in accordance with ERTU data, grants 48.45% of the total number of transmission hours of both networks to NTN channels and 51.55% to Nile Thematic.

Total and rates of broadcasting hours (NTN et Nile Thematic channels - 2010)					
Channel	Broadcasting hours		Broadcasting hours	Daily average	
	H	mn	(in %)	H	mn
NTN Network					
Nile Drama 1	8760	-	8.24%	24	-
Nile Drama 2	8760	-	8.24%	24	-
Nile Cinema	8760	-	8.24%	24	-
Nile Life	8760	-	8.24%	24	-
Nile Comedy	8760	-	8.24%	24	-
Nile Sport	7736	45	7.27%	21	12
TOTAL	**51536**	**45**	**48.45%**	**141**	**12**
Nile Thematic Channels					
Nile Culture	8760	-	8.24%	24	-
Nile Family	5829	33	5.48%	15	58
Nile Education (Bouquet)	30018	9	28.22%	128	59
Nile High Education	5110	-	4.80%	14	-
Manara Scientific R	4380	-	4.12%	12	-
Nile Information	730	-	0.69%	2	-
TOTAL	54827	42	**51.55%**	195	119
TOTAL NTN + Nile Th.	**106363**	**87**	**100.00%**	**336**	**131**
Source: ERTU Guide (2011)					

3.4. Egypt News Centre:

It is the main production centre of ERTU television and radio news. The centre includes many studios of live broadcasting and highly equipped recording and editing units. Its studio 11 is among the largest news digital studios in the Middle East. It is headed by ERTU news section. The website www.egynews.net offers online broadcasting of the centre’s news. An independent package including two continuous news channels, Egypt News Channel or Nile News and Nile TV International are under the control of the centre.

3.4.1. Egypt News Channel:

This news channel, formerly called Nile News, offers continuous terrestrial and satellite broadcasting and is one of the two channels of Egypt News Centre. When it was created in 1998, the channel belonged to Specialized Nile Themes before joining Nile TV International on 1st July 2009 to form the news television package of ERTU. Its programmes are also available on the webpage: www.nilenews.tv

Distribution of programme time of Egypt News Centre services (2010)												
News Services	News Reports		Coverage*		News programmes		Comments		Reports		Total	
	H	mn	H	mn	H	mn	H	mn	H	mn	H	mn
TV	6229	29	837	42	13577	49	4	54	497	6	21144	180
Audio	10525	13	930	8	11162	1	842	7	1296	16	24755	45
Total	16754	42	1767	50	24739	50	846	61	1793	22	45880	225
Percentage	36.50%		3.85%		53.90%		1.84%		3.91%		100.00%	
Source: ERTU Guide (2011)												

*Coverage also includes cultural, arts, social, etc… events.

3.4.2. Nile TV International

It is the only one of ERTU channels offering services in English, French and Hebrew since 1993. It joined Egypt News at the same date as Egypt News Channel. However, the service in Hebrew has been permanently stopped since 1st January 2011 and is only available on internet.

The following table provides the distribution of broadcasting time of the three television services of Nile TV International (2010)

Distribution of broadcasting time of Nile TV according to language					
Language	**Broadcasting hours**		**in %**	**Daily average**	
	H	mn		H	mn
English	5094	–	69.94%	13	57
French	1460	–	20.04%	4	–
Hebrew	730	–	10.02%	2	–
Total	**7284**	**–**	**100%**	**19**	**57**
Source: ERTU Guide (2011)					

Throughout 2010, Nile News offered continues broadcasting, in other words 8,760 hours of transmission, while Nile TV offered 7,284 hours with a total of 16,044 hours of transmission by the two main news channels as indicated in the following table:

Total hours of transmission (Nile News & Nile TV - 2010)	
Channel	**Hours**
Nile News	8760
Nile TV	7284
Total	16044
Source: ERTU Guide (2011)	

3.5. Television series and ERTU production sector

3.5.1. Importance of television series

The status of Egyptian television series *(musalsal)* in the Arab world may be compared to the American internationally in the 80's and 90's or to the Turkish regionally since 2005. Since it has created its television, Egypt discovered the importance of television series on one hand, as a success media tool among viewers, and as a political, social and cultural tool on another. In 1960, television series filled between 15 and 20 hours per week of total broadcasting time, and reached 250 h/w on the seven national channels in 1994. The two main Egyptian satellite channels broadcast 125 h of TV drama per month. The budget of television production reached, in 1994, 20 million dollars (for around forty series and/or programmes)[1].

3.5.2. ERTU production sector (Qita' Al-Intaj)

The creation of ERTU production sector in March 1989 reflects the emancipation of audiovisual industry in the country, confirmed in the 1990's by the launching of a dozen satellite channels. ERTU produced different types of audiovisual works including television series and for decades demonstrated its central position as a broadcasting company in the construction of Egyptian television entertainment.

Its productions of television series are exported to most Arab countries and sold to private and Arab satellite channels. The sector has its own infrastructure of production and postproduction studios. In addition to studios for shooting series in ERTU, the sector also owns 3 studios at the Egyptian Media Production City (EMPC).

The success of Egyptian television series has always extended beyond national borders. However, it is important to underline the strong preference of Egyptian viewers for domestic productions. According to non published ERTU data, Egyptian series rank first among Egyptian viewers' favourites (with 72.9%) ahead of Arab films (14.3%), entertainment (8.6%), and far ahead of foreign films[2].

In 2011, production volume initiated by ERTU was over 278 hours, 35 minutes, 43 seconds, including films (generally under a subcontracting arrangement), documentaries, television series, cartoons, concerts, shows.

[1] Serial production by African TVs, a study dedicated to television and cinema in Africa, *Africultures*, Issue 11, first quarter, 1995, p.10

[2] Interview with the Director of Central Statistics Department of ERTU, Ms. Hanane Mansour, January 2012

3.6. ERTU economic activities and services

The budget of ERTU, public radio broadcasting company, is estimated at 1.3 billion EGP in other words (165.8 million EUR)[1] ; an amount which the organization receives in the form of State grant.

Moreover, ERTU owns shares, entirely or partially, in major public and/or private audiovisual companies governing the Egyptian, Arab and Mediterranean audiovisual sector.

Media companies owned by ERTU and/or in which ERTU owns shares

Company name	Date of creation	Rate of participation (in %)
Audiovisual Company of Voice of Cairo	1977	100%
Egyptian Media Production City (EMPC)	1997	43.02%
Egyptian Satellite Company (Nilesat)	1996	40%
Egyptian Company of Satellite Channels (CNE)	1991	51.96%
El Nil for Telecommunication networks (NCN)	1998	24.64%
Digital Media Systems Company (DMS)	2002	24%
Al Mehwar for satellite channels and media (Mehwar TV)	2002	5%

Source : ERTU Guide 2011

3.6.1. ERTU Financial and Economic sector (Qita' Al-she'oun al-maliya wa al-iktissadeyah)

This sector has two kinds of activity:

- The financial activities that focus on planning, control, purchases and expenses, etc. for all ERTU sectors;
- Business activities, which aim at making profit through two main axes: advertising and marketing.

3.6.2. Advertising

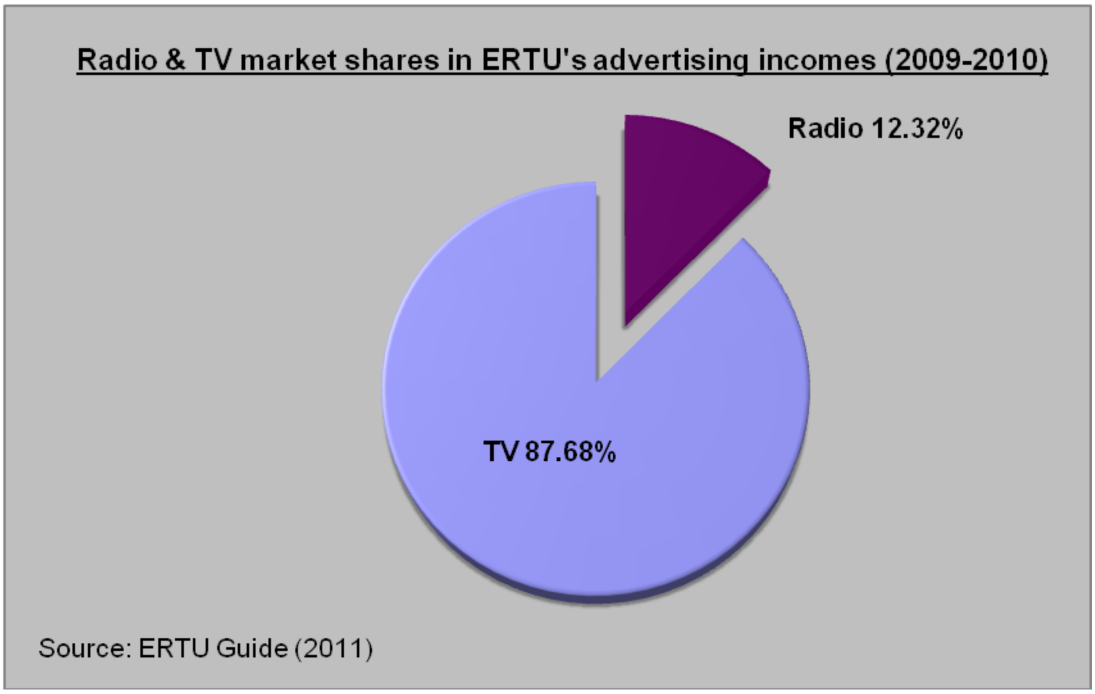
Commercial advertising is one of the main sources of revenue for ERTU. Its 2010 report indicates that advertising revenue for 2008-2009 is 33.6% of total ERTU revenue, which means 1,129,215,699 EGP (142.7 million EUR)[2].

For 572 hours of advertising, revenues are estimated at 428,949,804 EGP (55.443 million EUR)[3], which means 30.17% of total annual revenue (2009-2010).

[1] EGP is ISO for the Egyptian Pound. Conversion of local currency in EUR is based on the rate of exchange set by Oanda currency converter on 31 December 2011, http://www.oanda.com/currency/converter/

[2] *Ibid,* n.b: the date of conversion of the currency is 31 December 2009.

[3] *Ibid*, the date of conversion of the currency is 31 December 2010

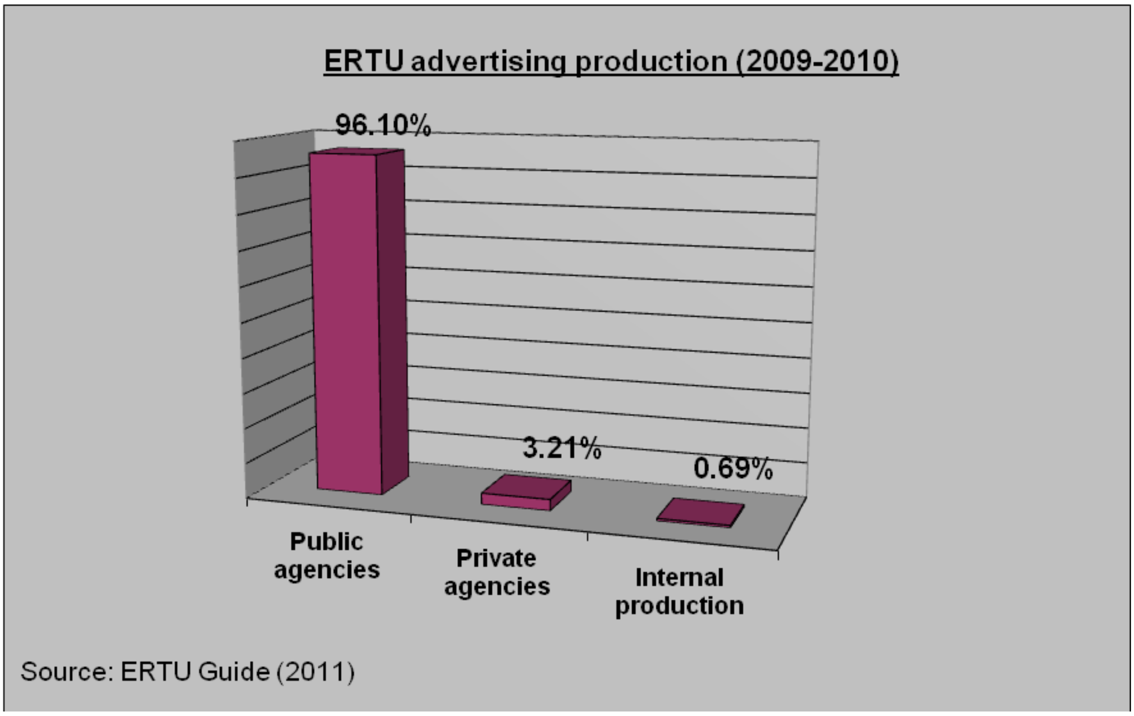


Data published by ERTU on the company's total advertising revenues in 2009-2010 indicate a rate of 87.68% earned by television, and a share of 12.32% earned by the radio.

However, the internal production and making of ads by ERTU represents 0.69%, the rest is the outcome of its cooperation with public and private advertising agencies, as indicated in the following table and chart:

ERTU Advertising production (2009 - 2010)		
Categorie	**Incomes in EGP**	**Rate in %**
Public agencies	412 154 474	**96.10%**
Private agencies	13 810 506	**3.21%**
Internal production	2 984 824	**0.69%**
Total	428 949 804	**100%**
Source: ERTU Guide (2011)		

The following chart illustrates the shares of advertising agencies in ERTU advertising production.

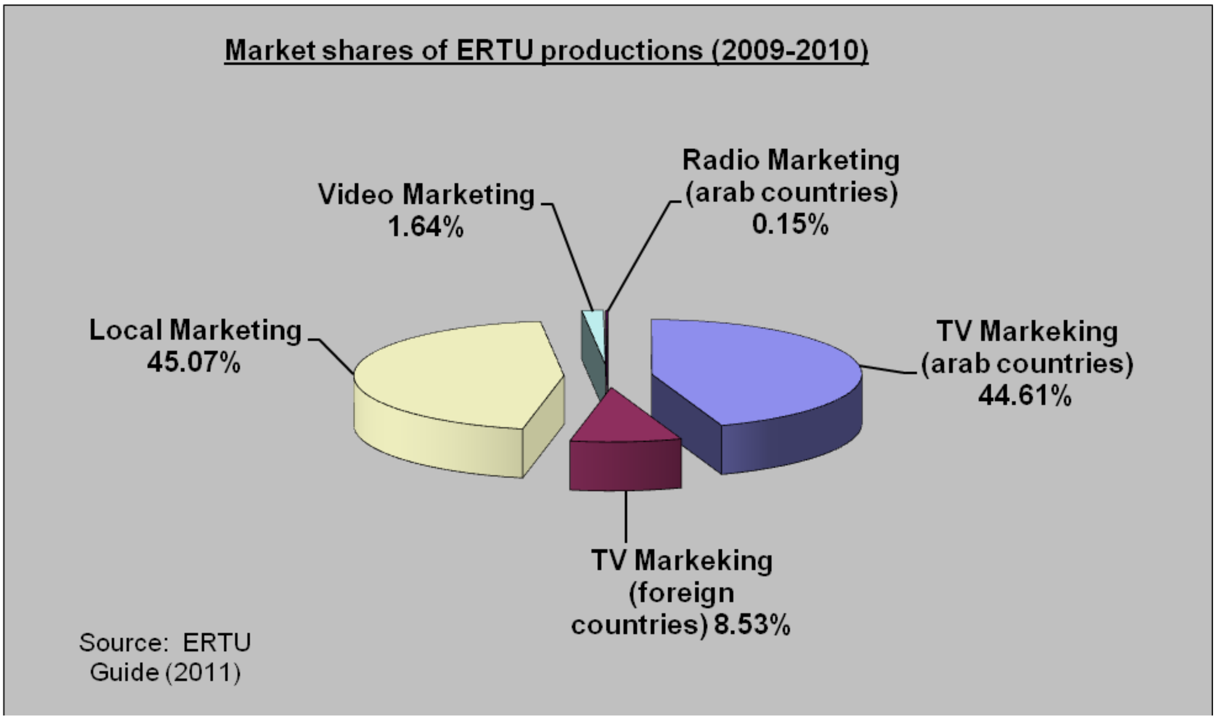


3.6.3. Marketing

Marketing activity consists in marketing all ERTU audiovisual products (series, television programmes, ads) and radio products to Arab and foreign countries, and to private satellite channels.

On a total of 49,000 hours of audiovisual production marketed in (2009-2010), ERTU earned 73.4 million EGP (9.5 million EUR). This amount includes the different kinds of marketing as indicated in the following table:

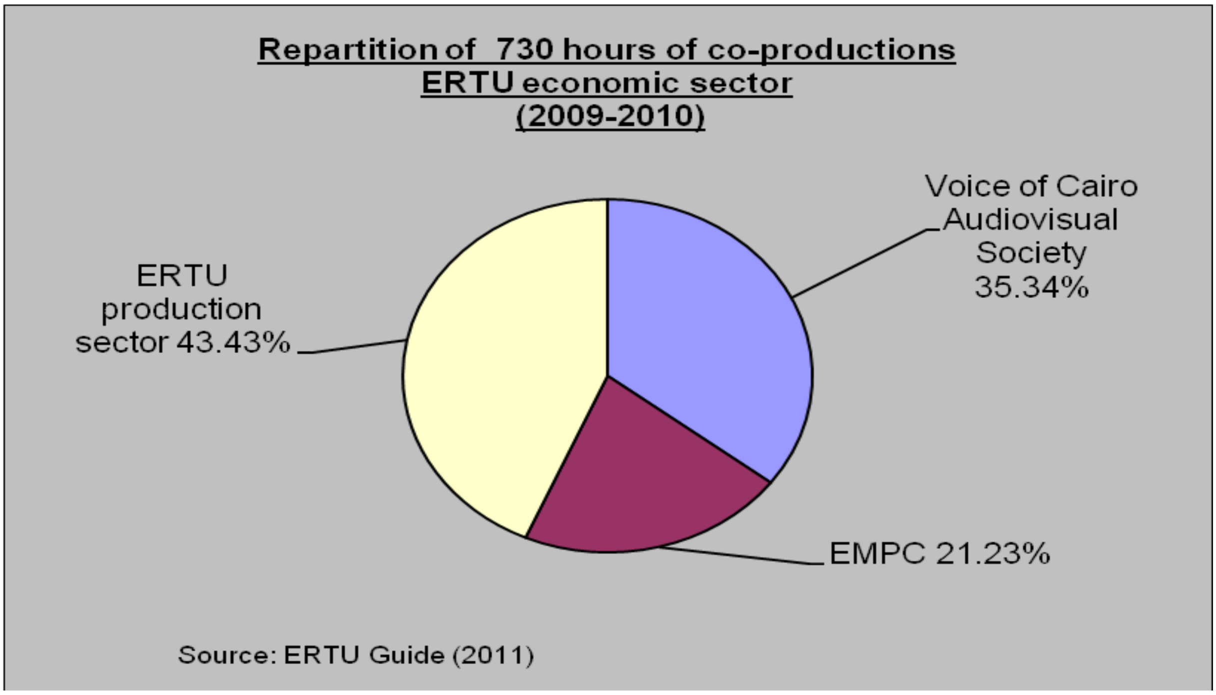
Marketing incomes of ERTU productions (2009-2010)		
Categorie	**Incomes in EGP**	**Part in %**
TV marketing (arab countries)	32 733 885	44.61%
TV markeking (foreign countries)	6 255 526	8.53%
Local marketing	33 065 800	45.07%
Video marketing	1 207 170	1.64%
Radio marketing (arab countries)	109 350	0.15%
Total	73 371 731	100%
Source: ERTU Guide (2011)		



3.6.4. Production of television series and programmes

ERTU economic sector finances and coproduces audiovisual works with private companies, with the Audiovisual Company Voice of Cairo, with the Egyptian Media Production City (EMPC) and with ERTU Production sector.

In 2009-2010, the assessment of 730 hours of co-productions by the economic sector reports 37 television series, 1 documentary, 1 feature film, 3 children’s films, and 7 musical programmes.



3.7. Audiovisual company Voice of Cairo (*Sowt Al-Qahirah lelsowtiyat wa almaréyat*)

The ministerial decree No.139 of 1977 turned the former company of the Voice of Cairo founded on 6th January 1964, with a capital of 275,000 EGP into a stock company owned by ERTU under the name of Audivisual Company Voice of Cairo. In 2009-2010, the capital of the company is estimated at **64. 325.071** million EGP (8.3 million EUR).

Audiovisual productions include television series (historical, religious, social, comical), children's animation programmes, plays in cooperation with the National Theatre, and other television programmes. It is to be noted that the quality of audio production (music and songs) is widely recognized.

The audiovisual production of the company for 2009-2010 is distributed as follows: 8 television series, 7 television series in coproduction, 2 children's series, 1 TV fiction, 6 plays and 1 Quiz *(fawazir*). Total revenues of the company for 2010 amount to 152.4 million EGP in other words (19.6 million EUR)[1].

The distribution of the company revenues by field of activity indicates that the highest rate, which is 62.52% of the total, is the result of production of television works, followed by advertising representing 24.31% of the company revenues for 2010.

Voice of Cairo Audiovisual Compagny - Incomes in EGP (2010)		
Activity	**Incomes in EGP**	**Shares in %**
Visual	95 278 403	62.52%
Audio	15 910 371	10.44%
Advertising	37 045 461	24.31%
Commerce	4 156 243	2.73%
Total	**152 390 478**	**100%**

Source: ERTU Guide (2011)

[1] Currency conversion is based on the rate of exchange for 31 December 2010, http://www.oanda.com/currency/converter/

3.8. Egyptian Media Production City (EMPC) (*Madinat Al-intag Al-ielami*)

3.8.1. A large production group

EMPC was designed to be a major film and audiovisual institution in the Near-East. It is a stock company, established under the ministerial decree of 24th February 2000, with capital funds amounting to 1.9 billion EGP (242 million EUR). It is located in heart of the media free zone, 6th of October City, and extends over an area of 2 million $m^{2.}$ It houses five huge live broadcasting studios, shooting studios, and technical support centers.

In 2010, the company had 69 studios including 66 which are rented to companies, including artistic production companies, and to Egyptian and Arab satellite channel owners broadcasting from the City. In September 2011, the annual frequency price was estimated at 200,000 USD. The rent of fully-equipped studios is estimated at 1,700 dollars/ m^2 per year[1].

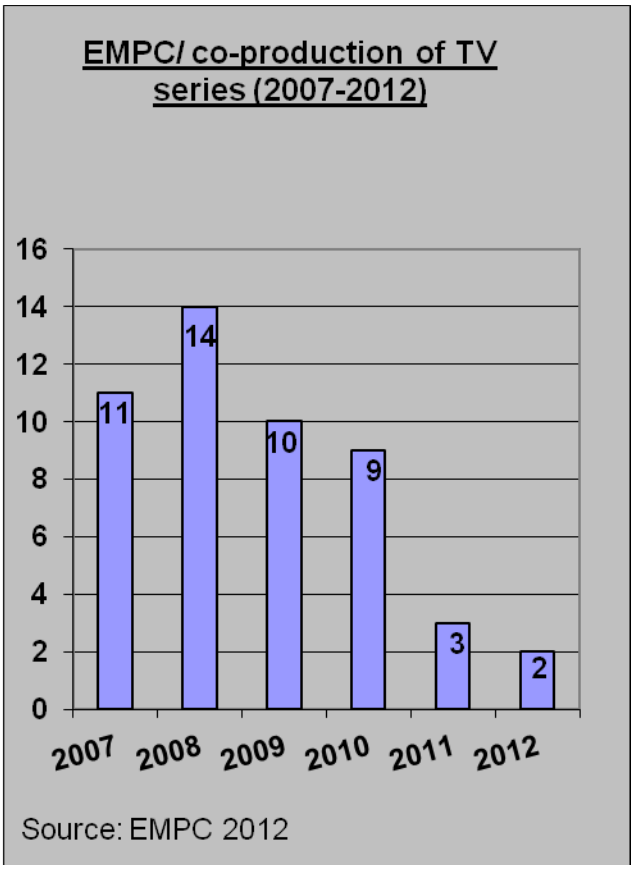
The company provides all production and postproduction services through its eight state-of-the-art technical centers specialized in editing, dubbing, printing, 3D graphics, etc. In order to attract as many investors as possible, EMPC grants significant benefits and exemptions to its Arab and foreign clients. Besides, EMPC site houses a five-star hotel and a huge amusement park.

With its infrastructure for film, audiovisual and advertising pre and post production services, EMPC is an audiovisual industry of international level. The outdoor shooting area includes 15 units of various highly designed architectural styles (Pharaonic, Islamic, rural, urban, etc.). In 2011, the City set up a radio broadcasting complex with 10 studios, 5 live transmission units and 5 editing booths.

EMPC productions and co-productions range between television series, films, shows-on-panel, entertainment programmes and musical programmes. The company products derive either from internal production or from co-production with ERTU and/or private audiovisual and film production companies. The success marketing policy adopted by EMPC allows it to market and broadcast its productions throughout the year on the various Arab satellite screens.

[1] Stéphanie Wenger, *« Du Caire à Tunis, le printemps arabe gagne les écrans de télévision »*, La Tribune, 30/09/2011, www.latribune.fr

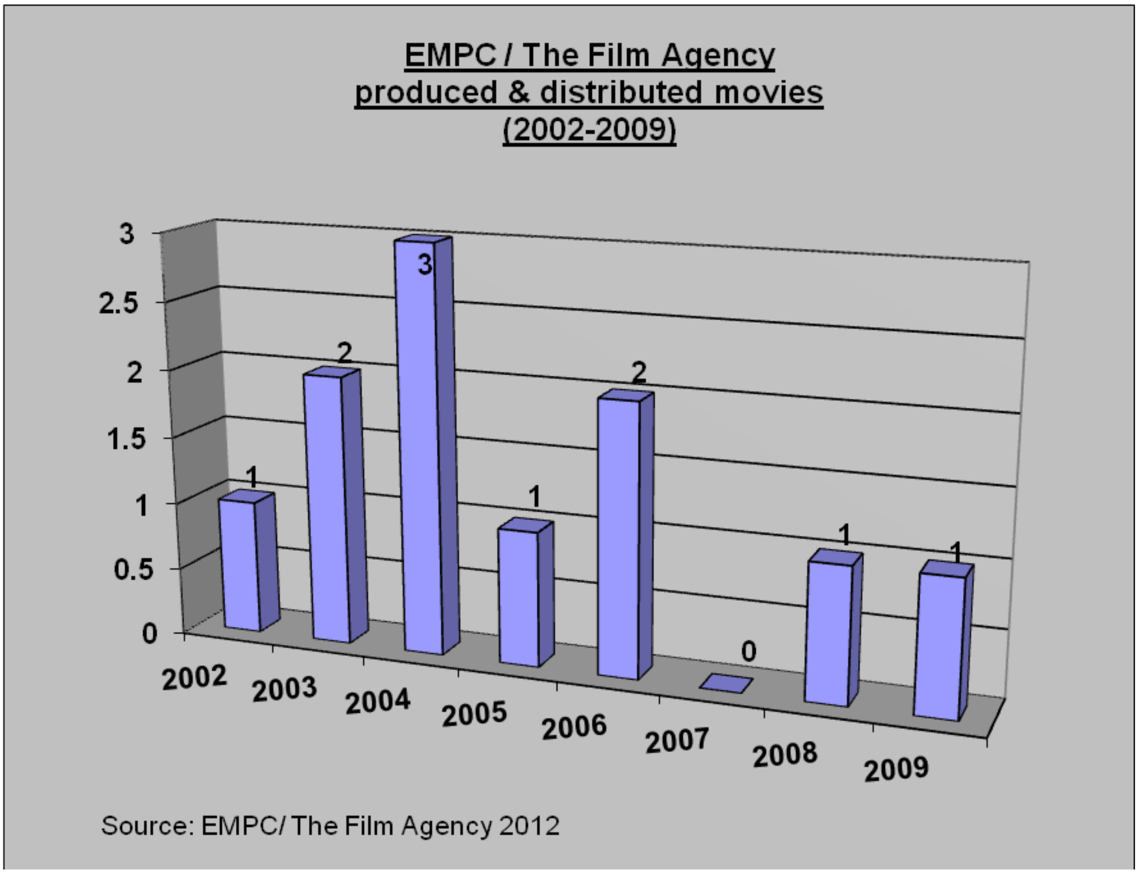
As shown in the following chart, EMPC highest number of television series produced and/or co-produced was reached in 2008 with 14 television series. Since then, there has been a progressive but tangible decline in production: 10 series in 2009, 9 in 2010, collapsing to 3 series in 2011 and a production plan set at only 2 television series during 2012.



3.8.2. The Film Agency (Gihaz al-cinema)

The Film Agency is under EMPC and has studios, outdoor shooting areas, sound units, and a film development and printing laboratory, all with state-of-the-art digital equipment made available for EMPC use. There are three internal and external highly sophisticated filming studios, namely: the City studio, Nahas studio and Al Ahram studio. Each one houses several sets for shooting all kinds of film and audiovisual productions of large scope.

However, the highest annual number of film productions was recorded in 2004, with 3 films. From 2005 to 2009, the annual production of the agency stabilized at 1 film except in 2006 when there were 2. No film was produced in 2007. The agency justifies the low rate of production by the absence of quality script likely to trigger a more vibrant process of film production.



3.8.3. The international Academy of sciences and information technology

EMPC developed this academic institution in 2002. It is the only educational institution in the region teaching information technology.

3.8.4. *The media free zone* (Al-mantika al-ielamiyah al-hora)

It is at the heart of EMPC and has the following multiple activities:

- Satellite, radio, television and information transmission
- Sale and rent of studios and offices to audiovisual production companies.
- Creation of satellite channels, radio stations and information sites.
- Advertising services, marketing and public relations
- Organizing international exhibitions on services and equipment of information technologies

It should be noted that the media free zone offers multiple advantages and exemptions to investors, to audiovisual companies owning satellite channels, to international filming teams as well as to office tenants.
On another level, EMPC operates 11 cinemas throughout the country, in addition to the 7 cinemas of the Maadi multi-cinema complex in Cairo. The company is preparing to make seven other cinemas operational in Cairo and Alexandria. The number of cinemas operated by EMPC will then amount to 25.

3.8.5. EMPC income

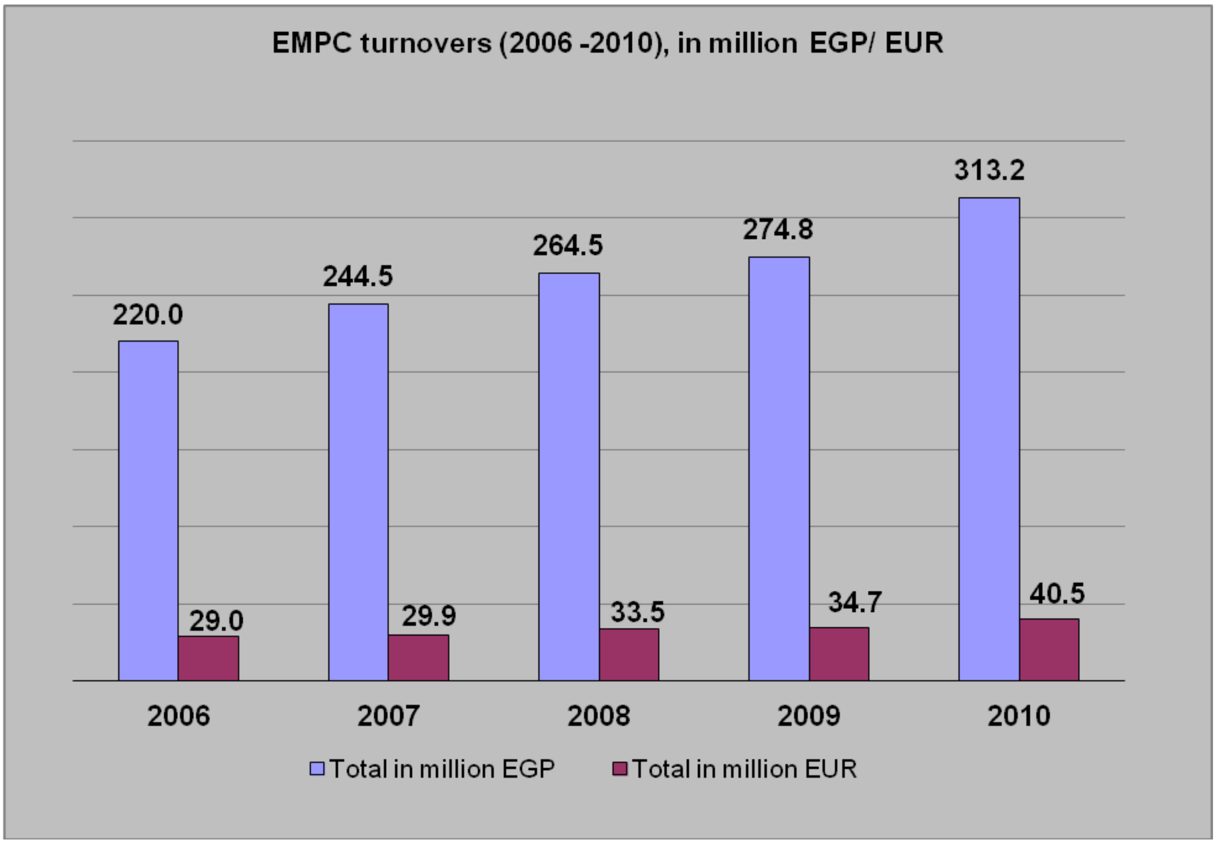
The following table provides revenue details of EMPC various institutions from 2006 to 2010. It is a real media industry with a turnover reaching 30 million Euros in 2006-2007 rising in 2010 to reach 40 million Euros.

Revenues of EMPC activities and studios (2006-2010), in million EGP

EMPC	**2006**	**2007**	**2008**	**2009**	**2010**
Studios and outdoor filming areas	21.81	29.87	121.93	151.29	77.13
Studios in Mubarak complex (A)	71.54	81.32	0.00	0.00	90.96
Total studios and filming areas	93.35	111.18	0.00	0.00	168.09
Artistic production	13.24	9.74	74.40	51.75	46.63
Total amusement Park (Magic Land, shops, etc.)	14.85	15.45	15.29	11.67	10.92
Miscellaneous revenues	0.00	0.00	1.67	1.94	0.00
Total EMPC	172.33	195.95	217.29	220.65	274.74
International Academy of Information Sciences	18.35	17.91	17.13	15.73	13.10
Total media free zone	190.68	213.86	234.42	236.37	287.84
Film Agency	29.36	30.61	30.06	38.41	25.35
Total in million EGP	**220.03**	**244.47**	**264.48**	**274.78**	**313.19**
Total in million EUR	**29.01**	**29.89**	**33.49**	**34.73**	**40.48**

Source : EMPC 2012

Between 2006 and 2010, EMPC turnover rose from 29.01 million EUR to 40.05 million EUR, in other words an increase of 42.4% in five years.



Source: EMPC 2012

4. PRIVATE SATELLITE CHANNELS

Faced with the competition of a new category of players in the regional audiovisual space during the 1990's, wealthy Saudis, the Egyptian State, which owns and manages television, decides to challenge competition by acting as the leading satellite player. This decision is carried out through various actions, the most important of which being the launching of the first generation of the Egyptian broadcasting satellite NileSat in 1998, and the creation of the Egyptian Media Production City (EMPC).

However, the present qualitative and quantitative development of the sector started when the State adapted to the global economic context and started enforcing the privatization process, now in full swing in the audiovisual sector since the overthrow of Mubarak regime.

Between February and August 2011, there has been a large increase of the already high number of private satellite channels: eighteen new satellite channels are born on NileSat, bringing to over a hundred the number of public and private Egyptian satellite channels competing over the South Mediterranean and Arab landscape[1]. And it is not surprising to note that entertainment and music channels are the most highly dominant in the Egyptian audiovisual landscape.

However, despite the blooming local and satellite audiovisual landscape, the country has no institution or media observatory able to provide the real number of channels or the audience shares they obtain. To make an assessment, we have tried to make a list of all satellite channels in Egypt, whether public or private. We have included the available data we had on some of them, published by *Médiametrie (Eurodata-TV Worldwide)* in *One Television Year in The World – 2012,* on the basis of information collected by TNS[2], of lists proposed by Lyngsat.com and other professional sources. Although it was carried out on a limited number of people, of channels and of TV households, the study has the advantage of informing on audience shares, on the average daily viewing time per person, and on the level of technical penetration. The following data and charts attempt to provide a description of the Egyptian audiovisual market.

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[1] Stéphanie Wenger, *Ibid*.
[2] Eurodata TV Worldwide- One Television Year in the World issue TNS TV Panel Diary, Egypt, 2012 Annual overview of TV consumption and audiovisual landscapes in more than 90 territories around the world.

4.1. Public and private Egyptian satellite channels (March 2012)

	Channel	2011 Market share in %		Status	Genre	Advertising breaks	Reception	Yearly cumulative reach in %	Web site	Satellite
		Total Day	Prime time							
1	25 TV	n.a	n.a	Private	Generalist	Yes	S	n.a	www.25online.tv	Atlantic Bird 7
2	4Shbab Quran	n.a	n.a	Private	Islamic	Yes	S	n.a	www.4shbab.tv	Atlantic Bird 7
3	4Shbab TV 1	n.a	n.a	Private	Islamic/Youth/Generalist	Yes	S	n.a	www.4shbab.tv	Atlantic Bird 7
4	4Shbab TV 2	n.a	n.a	Private	Islamic/Youth/Generalist	Yes	S	n.a	www.4shbab.tv	Atlantic Bird 7
5	Aghapy TV	n.a	n.a	Private	Christian/Generalist	Yes	S	n.a	www.aghapy.tv	Atlantic Bird 7/Telstar 12
6	Al Ahly Club	0.4	0.6	Private	Sport	Yes	S	36.8	www.alahlytv.net	Atlantic Bird 7
7	Al Askandria	n.a	n.a	Private	Generalist	Yes	S	n.a	n.a	Atlantic Bird 7
8	Al Baraka TV	n.a	n.a	Private	Islamic	Yes	S	n.a	www.albaraka.tv	Nilesat 101
9	Al Delta	n.a	n.a	Public	Generalist	Yes	S	n.a	n.a	Atlantic Bird 7
10	Al Farasha TV	n.a	n.a	Private	Enfants	Yes	S	n.a	www.alfarasha.net	Atlantic Bird 7
11	Al Fraeen TV	n.a	n.a	Private	Généraliste	Yes	S	n.a	www.fraeen.tv	Atlantic Bird 7
12	Al Hadath TV	n.a	n.a	Private	News	Yes	S	n.a	www.alhadathtv.com	Atlantic Bird 7
13	Al Hafez Channel	n.a	n.a	Private	Islamic	Yes	S	n.a	www.alhafez.tv	Atlantic Bird 7
14	Al Hayat	11.9	14.2	Private	Generalist	Yes	S	88.1	n.a	Nilesat 102
15	Al Hayat 2	3.3	2.3	Private	Generalist	Yes	S	82.3	n.a	Nilesat 101
16	Al Hayat Cinema	2.4	2.1	Private	Movie	Yes	S	77.0	n.a	Eurobird 2/Atlantic Bird 7
17	Al Hayat Mosalsalat	4.0	4.1	Private	TV series	Yes	S	83.4	n.a	Atlantic Bird 7
18	Al Kahera	n.a	n.a	Private	Generalist	Yes	S	n.a	n.a	Atlantic Bird 7
19	Al Kanal	n.a	n.a	Private	Generalist	Yes	S	n.a	n.a	Atlantic Bird 7
20	Al Masriyah USA	n.a	n.a	Public	Generalist	Yes	S	n.a	www.ertu.org	Intelsat 10-02
21	Al Masry Club	n.a	n.a	Private	Sport	Yes	S	n.a	www.livesoccertv.com	Atlantic Bird 7
22	Al Nahar Drama	n.a	n.a	Private	TV series	Yes	S	n.a	www.al-nahar.tv	Atlantic Bird 7
23	Al Nahar Sport	n.a	n.a	Private	Sport	Yes	S	n.a	www.al-nahar.tv	Atlantic Bird 7
24	Al Nahar TV	1.6	1.1	Private	Generalist	Yes	S	67.5	www.al-nahar.tv	Atlantic Bird 7
25	Al Rahma Channel	n.a	n.a	Private	Islamic	Yes	S	n.a	www.alrahma.tv	Nilesat 101
26	Al Saeed	n.a	n.a	Public	Generalist	Yes	S	n.a	n.a	Atlantic Bird 7
27	Al Tahrir TV	0.2	0.2	Private	Generalist	Yes	S	25.5	www.altahrirtv.com	Atlantic Bird 7/Intelsat 8
28	Alhekmah TV	n.a	n.a	Private	Islamic	Yes	S	na	www.alhekmah.tv	Atlantic Bird 7
29	Al Manarah Science Channel	n.a	n.a	Public	Education	No	S	n.a	www.almanara@ertu.org	Nilesat 101
30	Alnas Channel	n.a	n.a	Private	Islamic	Yes	S	n.a	www.alnas.tv	Atlantic Bird 7
31	Altet TV	n.a	n.a	Private	Entertainment	Yes	S	n.a	www.altet-tv.com	Atlantic Bird 7
32	A-One Home Shopping	n.a	n.a	Private	Tele-Marketing	Yes	S	n.a	www.tv4v.com	Nilesat 101
33	ART Aflam 1	0.7	0.7	Private	Movie	Yes	C	23.4	www.artonline.tv	Nilesat 101
34	ART Aflam 2	n.a	n.a	Private	Movie	Yes	C	n.a	www.artonline.tv	Nilesat 101
35	ART America	n.a	n.a	Private	Generalist	Yes	C	n.a	www.artonline.tv	Galaxy 17
36	ART Australia	n.a	n.a	Private	Generalist	Yes	C	n.a	www.artonline.tv	Intelsat 5/Intelsat 8
37	ART Cinema	n.a	n.a	Private	Movie	Yes	C	n.a	www.artonline.tv	Nilesat 101

	Channel	2011 Market share in %		Status	Genre	Advertising breaks	Reception	Yearly cumulative reach in %	Web site	Satellite
		Total Day	Prime time							
38	ART Hekayat	1.3	1.4	Private	Entertainment	Yes	C	25.3	www.artonline.tv	Nilesat 101/Intelsat 8
39	ART Hekayat 2	n.a	n.a	Private	Entertainment	Yes	C	n.a	www.artonline.tv	Nilesat 101/Intelsat 8
40	ART Latino	n.a	n.a	Private	Generalist	Yes	C	n.a	www.artonline.tv	Intelsat 9
41	ART Movies	n.a	n.a	Private	Movie	Yes	C	n.a	www.artonline.tv	Nilesat 101
42	ART Movies 2	n.a	n.a	Private	Movie	Yes	C	n.a	www.artonline.tv	Nilesat 101
43	ART Prime Sports	n.a	n.a	Private	Sport	Yes	C	n.a	www.artonline.tv/sports/	Intelsat 8 /Yamal 202
44	ART Sports 7	n.a	n.a	Private	Sport	Yes	C	n.a	www.artonline.tv/sports/	n.a
45	ART Tarab	n.a	n.a	Private	Entertainment	Yes	C	n.a	www.artonline.tv	Atlantic Bird 7/Intelsat 9
46	Auto Moto TV	n.a	n.a	Private	Auto-marketing	Yes	S	n.a	www.automoto-tv.com	Atlantic Bird 7
47	Azhari Channel	n.a	n.a	Private	Islamic	Yes	S	n.a	www.azharitv.net	Atlantic Bird 7
48	Cairo & Nass TV	n.a	n.a	Private	Entertainment	Yes	S	n.a	www.tareknour.tv	Atlantic Bird 7
49	Cairo Cinema	1.3	1.3	Private	Movie	Yes	S	71.1	www.cairocinema.net	Atlantic Bird 7
50	Cairo Drama	0.6	0.5	Private	TV series	Yes	S	53.9	www.cairodrama.tv	Atlantic Bird 7
51	Cairo University 1	n.a	n.a	Public	Education	No	S	n.a	www.ou.cu.edu.eg	Nilesat 101
52	Cairo University 2	n.a	n.a	Public	Education	No	S	n.a	www.ou.cu.edu.eg	Nilesat 101
53	CBC	0.9	1.1	Private	Generalist	Yes	S	54.1	www.cbc-eg.com	Atlantic Bird 7
54	CBC +2	n.a	n.a	Private	Generalist	Yes	S	n.a	www.cbc-eg.com	Atlantic Bird 7
55	CBC Drama	n.a	n.a	Private	TV series	Yes	S	n.a	www.cbc-eg.com	Atlantic Bird 7
56	CTV (Coptic TV Channel)	n.a	n.a	Private	Christian	Yes	S	n.a	www.ctvchannel.tv	Hot Bird 6
57	Dream 1	0.7	0.8	Private	Generalist	Yes	S	53.0	www.dreamstv.im2all.com	Nilesat 102/ Badr 5
58	Dream 2	3.2	5.1	Private	Generalist	Yes	S	75.5	www.dreams.tv	Nilesat 101/Anik F3
59	Dream HD	n.a	n.a	Private	Generalist	Yes	S	n.a	www.dreams.tv	Atlantic Bird 7
60	El Mehwar	2.1	3.0	Private	Generalist	Yes	S	75.2	www.elmehwar.tv	Nilesat 101
61	ERTU 1	6.6	5.0	Public	Generalist	Yes	T,S	81.8	www.ertu.org	Nilesat 101
62	ERTU 2	1.2	2.2	Public	Generalist	Yes	T,S	47.1	www.ertu.org	Atlantic Bird 7
63	ERTU 3 (Cairo TV)	n.a	n.a	Public	Generalist	Yes	T	n.a	www.ertu.org	Nilesat 101
64	ERTU 4 (Canal TV)	n.a	n.a	Public	Generalist	Yes	T	n.a	www.ertu.org	Nilesat 101
65	ERTU 5 (Alexandria)	n.a	n.a	Public	Generalist	Yes	T	n.a	www.ertu.org	Nilesat 101
66	ERTU 6 (Delta TV)	n.a	n.a	Public	Generalist	Yes	T	n.a	www.ertu.org	Nilesat 101
67	ERTU 7 (North Upper Egypt)	n.a	n.a	Public	Generalist	Yes	T	n.a	www.ertu.org	Nilesat 101
68	ERTU 8 (South Upper Egypt)	n.a	n.a	Public	Generalist	Yes	T	3.8	www.ertu.org	Nilesat 101
69	ESC 1	1.5	1.2	Public	Generalist	Yes	S	68.8	www.ertu.org	Nilesat 101
70	HayaTV (Alhayat)	n.a	n.a	Private	Christian	Yes	S	n.a	www.hayatv.tv	Hot Bird 9/Galaxy 19
71	Hi TV	n.a	n.a	Private	Entertainment	Yes	S	n.a	www.hiweb.tv	Nilesat 102
72	High Education Channel	n.a	n.a	Public	Education	No	S	n.a	www.nile_chan/highedu.html	Nilesat 101/Nilesat 102
73	High Education Channel 2	n.a	n.a	Public	Education	No	S	n.a	www.nile_chan/highedu.html	Nilesat 101
74	Huda TV	n.a	n.a	Private	Islamic	Yes	S	n.a	www.huda.tv/	Nilesat 101/Arabsat 5C
75	LTB	n.a	n.a	Private	Generalist	Yes	S	n.a	n.a	Nilesat 101

	Channel	2011 Market share in %		Status	Genre	Advertising breaks	Reception	Yearly cumulative reach in %	Web site	Satellite
		Total Day	Prime time							
76	Marmarkos TV	n.a	n.a	Private	Christian	Yes	S	n.a	www.marmarkosegsat.tv	Atlantic Bird 7
77	Mazzika	n.a	n.a	Private	Entertainment	Yes	S	n.a	www.mazzika.tv	Nilesat 102
78	Mazzika Zoom	n.a	n.a	Private	Entertainment	Yes	S	n.a	www.mazzika.tv	Nilesat 102
79	Melody Aflam	3.0	2.9	Private	Movie	Yes	S	78.6	www.melodyaflam.tv	Nilesat 101/Badr 5
80	Melody Arabia	n.a	n.a	Private	Generalist	Yes	S	n.a	www.melodyarabia.tv	Intelsat 8
81	Melody Drama	3.8	4.9	Private	Generalist	Yes	S	80.1	www.melodyholding.com	Atlantic Bird 7 / Badr 5
82	Melody Hits	n.a	n.a	Private	Entertainment	Yes	S	n.a	www.melodyholding.com	Atlantic Bird 7
83	Melody Sport	n.a	n.a	Private	Sport	Yes	S	n.a	www.melodyholding.com	Nilesat 102
84	Misr 25	n.a	n.a	Private	Generalist	Yes	S	n.a	http://www.misr25.tv/	Nilesat
85	Misr Al Zeraeey	n.a	n.a	Private	Entertainment	Yes	S	n.a	n.a	Atlantic Bird 7
86	Modern Horria	n.a	n.a	Private	Generalist	Yes	S	n.a	n.a	Badr 5
87	Modern Kora	n.a	n.a	Private	Football	Yes	S	n.a	www.modernkora.tv	Atlantic Bird 7
88	Modern Sport TV	1.4	1.7	Private	Sport	Yes	S	49.2	www.modernsport.tv	Atlantic Bird 7/ Badr 5
89	Moga Comedy	2.0	1.8	Private	Entertainment	Yes	S	76.9	www.mogacomedy.tv	Nilesat 101
90	MTC- Misr Tourist Channel	n.a	n.a	Private	Tourisme	Yes	S	n.a	n.a	Nilesat 101
91	Nile Cinema	1.6	1.8	Public	Movie	Yes	T,S	50.1	www.ntntv.net	Nilesat 101
92	Nile Comedy	1.2	1.0	Public	Entertainment	Yes	T,S	49.9	www.ntntv.net	Nilesat 101
93	Nile Culture	n.a	n.a	Public	Cultural	Yes	S	0.1	Nileculture@ertu.org	Nilesat 101
94	Nile Drama	6.4	6.5	Public	Generalist	Yes	T,S	85.2	www.ntntv.net	Nilesat 101
95	Nile Drama 2	n.a	n.a	Public	TV series	Yes	S	n.a	www.ntntv.net	Nilesat 101
96	Nile Education Channel 1	n.a	n.a	Public	Education	No	S	n.a	NileEuc@ertu.org	Nilesat 101
97	Nile Education Channel 2	n.a	n.a	Public	Education	No	S	n.a	NileEuc@ertu.org	NileEuc@ertu.org
98	Nile Education Channel 3	n.a	n.a	Public	Education	No	S	n.a	Nileheduc@ertu.org	NileEuc@ertu.org
99	Nile Education Channel 4	n.a	n.a	Public	Education	No	S	n.a	nileheduc@ertu.org	Nilesat 101
100	Nile Family & Kids	0.2	0.2	Public	Family	Yes	T,S	13.1	nilefamily@ertu.org	Atlantic Bird 7
101	Nile Life	0.9	1.1	Public	Lifestyle	Yes	T,S	41.2	www.ntntv.net	Nilesat 101/Intelsat 10-02
102	Nile News	n.a	n.a	Public	News	Yes	T,S	0.0	www.nilenews.tv	Nilesat 101
103	Nile Sports	0.7	0.7	Public	Sport	Yes	T,S	35.1	www.ntntv.net	Nilesat 101/Optus D2
104	Nile TV International	n.a	n.a	Public	Generalist	Yes	S	n.a	www.nileinternational.net	Intelsat 10-02/Nilesat 101
105	Nile Varieties	n.a	n.a	Public	Music	Yes	S	n.a	www.nilesat.8m.com	Nilesat 101
106	On TV	0.2	0.2	Private	Generalist	Yes	S	19.2	www.ontveg.com	Nilesat 102/Atlantic Bird 7
107	On TV Live	n.a	n.a	Private	Generalist	Yes	S	n.a	www.ontveg.com	Nilesat 102/Atlantic Bird 7
108	Oscar Drama	n.a	n.a	Private	TV series	Yes	S	n.a	n.a	Atlantic Bird 7
109	Panorama Drama	3.0	3.6	Private	TV series	Yes	S	79.5	n.a	Atlantic Bird 7
110	Panorama Drama 2	1.3	1.1	Private	TV series	Yes	S	69.9	n.a	Atlantic Bird 7
111	PortSaid TV	n.a	n.a	Private	Generalist	Yes	S	n.a	n.a	Atlantic Bird 7
112	Rehab FM TV	n.a	n.a	Private	Generalist	Yes	S	n.a	www.rehabfm.com	Atlantic Bird 7
113	Sat 7	n.a	n.a	Private	Christian	Yes	S	n.a	www.sat7.com	Atlantic Bird 7

	Channel	2011 Market share in %		Status	Genre	Advertising breaks	Reception	Yearly cumulative reach in %	Web site	Satellite
		Total Day	Prime time							
114	Sat 7 Kids	n.a	n.a	Private	Kids	Yes	S	n.a	www.sat7kids.com	Atlantic Bird 7
115	Sokar TV	n.a	n.a	Private	Kids	Yes	S	n.a	www.sokartv.com	n.a
116	Sout El-Balad TV	n.a	n.a	Private	Generalist	Yes	S	n.a	www.el-balad.com	Atlantic Bird 7
117	Tamima TV	n.a	n.a	Private	Tele-marketing	Yes	S	n.a	www.tamima.com	n.a
118	Tarik TV	n.a	n.a	Private	Christian	Yes	S	n.a	www.altarektv.com	n.a
119	Teba	n.a	n.a	Private	Generalist	Yes	S	n.a	n.a	Atlantic Bird 7
120	Voice of People	n.a	n.a	Public	Parlementary	No	S	n.a	n.a	Nilesat
121	Zamalek Club	n.a	n.a	Public	Sport	Yes	S	n.a	www.zamalek.tv	n.a

Source: Euromed Audiovisual III/ European Audiovisual Observatory (EAO), Eurodata TV Worldwide, One Television Year in The world – 2012 issue TNS TV Panel Dairy/ Lyngsat.

4.2. Audience market shares of a few non-Egyptian Arab channels (2011)

	Channel	2011 Market share in %		Status	Genre	Advertising breaks	Reception	Yearly cumulative reach in %	Web site	Satellite
		Total Day	Prime time							
1	Al Arabiya	1.5	1.2	Private	News	Yes	S	60.6	www.alarabiya.net	Eutelsat 21A / Eutelsat 7
2	El Youm (Orbit TV)	0.4	0.3	Private	Generalist	Yes	C	19.4	n.a	Atlantic Bird 2
3	Fox Movies	0.8	0.6	Private	Movie	Yes	S	47.7	www.foxmoviestv.com	Atlantic Bird 7/Nilesat 201
4	JSC	1.9	1.6	Private	News	Yes	S	65.8	www.aljazeera.net	Nilesat101/ Nilesat 201/Badr 4,5,6
5	MBC 1	0.4	0.1	Private	Generalist	Yes	S	28.9	www.mbc.net/mbc1	Nilesat 102/Nilesat 201
6	MBC 2	1.3	1.0	Private	Movie	Yes	S	52.6	www.mbc.net/mbc2	Nilesat 102/Nilesat 201
7	MBC 3	1.3	0.9	Private	Kids	Yes	S	37.1	www.mbc3.net	Badr 4/ Badr 6/ Nilesat 101
8	MBC 4	1.0	1.5	Private	Generalist	Yes	S	43.1	www.mbc.net/mbc4	Nilesat 102
9	MBC Action	0.5	0.4	Private	Movie	Yes	S	38.3	www.mbc.net/mbcaction	Nilesat 102/201- Badr 4-6
10	Rotana Cinema	5.5	5.1	Private	Movie	Yes	S	83.0	www.rotana.net	Atlantic Bird 7
11	Rotana Masriya	0.5	0.6	Private	Generalist	Yes	S	51.8	www.rotana.net	Eutelsat 7
12	Rotana Zaman	1.8	1.5	Private	Movie	Yes	S	68.3	www.rotana.net	Badr 6
13	Spacetoon	0.8	0.7	Private	Kids	Yes	S	39.7	www.spacetoon.tv	Nilesat 201

Source: Euromed Audiovisual III/ European Audiovisual Observatory (EAO), Eurodata TV Worldwide, One Television Year in The world – 2012 issue TNS TV Panel Dairy/ Lyngsat.

5. AUDIENCE MEASURING OF TELEVISION CHANNELS

Despite the amazing expansion and development of the Egyptian television market, a significant deficiency is worth noting: there is no modern survey system to measure television viewers as it is the case in most modern countries and some Arab countries (mainly Jordan and Lebanon).

Therefore, it is hardly possible to have accurate audience data for the major *talk-shows* and/or the various channels.

In order to determine audience for the various channels, TNS uses the conventional log book[1].

Based on:	Period:	TV distribution (% of individuals):	Time shifted viewing measurement:
Total individuals 4+	Jan 1st - Dec 31st, 2011	Terrestrial: 4%	No
	Mo-Su / 04:00-28:00	Satellite: 96%	
Size of the universe:		*Source: Establishment survey 2011.*	Guest viewing measurement:
26, 000,000 (7, 269,000 TV households)	Area:	*Based on 3,125 individuals.*	No
	Urban Egypt		
		Main telecommunication operators:	Digital measurement:
Size of the panel:	Instrument used:	Nilesat (satellite)	Yes (since 2004)
4,200	Diary	Telecom Egypt (IPTV)	
(1,200 TV households)	*When a channel began or ceased measurement during the year, results are based on the period of measurement.*		
Size of the pay TV universe:			
2, 600,000			

Source: Eurodata/ Mediametrie, One Television Year in The World 2012 issue TNS TV Panel Diary

1 Eurodata TV Worldwide 2012.

- Ten best channel performances (based on the whole-day)

Pursuant to the agreements with Médiamétrie / Eurodata TV Worldwide we are not entitled to provide the data in their online electronic version. This data is available in print, and may be provided on request.

- Average daily viewing time (per person – in H: Min)

Pursuant to the agreements with Médiamétrie / Eurodata TV Worldwide we are not entitled to provide the data in their online electronic version. This data is available in print, and may be provided on request.

- Average daily viewing time (Young adults 15- 24)

Pursuant to the agreements with Médiamétrie / Eurodata TV Worldwide we are not entitled to provide the data in their online electronic version. This data is available in print, and may be provided on request.

- Top 10 programs of 2011

Best episode of each program and its affiliates. Sport programs, weather forecasts and programs under 5 minutes are excluded.

Pursuant to the agreements with Médiamétrie / Eurodata TV Worldwide we are not entitled to provide the data in their online electronic version. This data is available in print, and may be provided on request.

- Best sports program of 2011

Pursuant to the agreements with Médiamétrie / Eurodata TV Worldwide we are not entitled to provide the data in their online electronic version. This data is available in print, and may be provided on request.

6. ONLINE TELEVISION AND AUDIOVISUAL SERVICES ON DEMAND

6.1. Channels broadcasting via Internet

With the advent of high speed broadband networks, internet streaming has become easier and web TVs have emerged. There are presently 20 Egyptian channels, in other words 16.5% of the total number of public and private channels which broadcast live on internet. The following table indicates the available online channels.

25 TV	Nile Comedy
Al Hayat	Nile Drama
Alnas Channel	Nile Drama 2
Al Nile	Nile International
Al Rahma TV	Nile Life
CBC* (bouquet de 3 chaînes)	Nile Sport
CTV	ON TV
Nile Cinema	Sat 7 Kids
Sat 7 Arabic	Zamalek TV

Sources: Lyngsat: http://www.lyngsat-stream.com and Global-itv : http:// www.global-itv.com (March 2012).

6.2. "Branded channels" of Egyptian broadcasters on YouTube

A few Egyptian broadcasters have created "branded channels" on YouTube. For example ON TV created a channel on 6th October 2010. It allows accessing at once the service live and a catch up catalogue comprising, on 26th March 2012, 13,689 videos. The channel had at that date 72,142 subscribers and 30.1 million video viewings.

6.3. Internet video services on demand

Egyptian Internet video services on demand (catch up television services, VoD services[1], and video sharing services), remain to be identified. Events of February 2011 have certainly made YouTube popular in the country, as it is shown in the statistics of video viewing published by Google: they went up in a few days from 2 to 8 million.

Source : Google[2]

[1] On the development of VoD legal offer, see below segment 7.8
[2] Quoted by Mohannad El-Megharbel.

In its report *ICT adoption and prospects in the Arab region*[1], ITU provides a table of the 20 most visited websites in Egypt in December 2011, prepared by Alexa.[2]

Table 36. Most visited sites in Egypt, December 2011

Rank	Website	Target users	Default language*	Description
1	Facebook.com	Global	English	Online social networking
2	google.com.eg	Global	Arabic	Web search portal
3	Youtube.com	Global	English	Video sharing and broadcasting portal
4	google.com	Global	English	Global web search portal
5	yahoo.com	Global	English	Miscellaneous online services
6	youm7.com	Local	Arabic	Online news portals
7	blogspot.com	Global	English	Online blogging service
8	fatakat.com	Regional	Arabic	Online forums
9	maktoob.com	Regional	Arabic	Miscellaneous online services
10	live.com	Global	English	E-mail portal
11	myegy.com	Global	Arabic	Miscellaneous online services
12	masrawy.com	Local	Arabic	Miscellaneous online services
13	ahram.org.eg	Local	Arabic	Online news portals
14	mediafire.com	Global	English	File sharing services
15	twitter.com	Global	English	Online social networking
16	xnxx.com	Global	English	Adult Content
17	elections2011.eg	Local	Arabic	Information about Egyptian elections
18	wikipedia.org	Global	English	Encyclopaedia
19	searchqu.com	Global	English	Web search portal
20	babylon.com	Global	English	Translation software

Note: *The default language is the language that appears when first visiting the website
Source: Alexa

[1] ICT adoption and prospects in the Arab region 2012, Connect, *Arab Summit 2012, Connecting the unconnected by 2015,* International Telecommunication Union, http://www.itu.int/dms_pub/itu-d/opb/ind/D-IND-AR-2012-PDF-E.pdf, p. 49

[2] Alexa is a website (subsidiary of Amazon inc.) which makes international and country classifications of website visits. The reliability of these measures is questioned by specialists of internet audience measuring because it rests on a less advanced method than with the paying services of audience measuring (the type proposed by Comscore, Nielsen, Médiamétrie). In cases where non sophisticated methods are not available, Alexa is however recognized as a useful indicator. For a more exhaustive and current classification, see http://www.alexa.com/topsites/countries/EG

Out of these twenty sites, six include an important video volume:

- Websites of social networks and video sharing: Facebook.com (US), Youtube.com (US), masrawy.com (EG, owned by the Egyptian telecommunication group Osracom Telecom Holding)
- A website of free downloading of Arab and international films, with no mention of editor (myegy.com)
- A website of file exchange (mediafire.com, US) for video exchange; and can be used for non-authorized film exchange.[1]
- A website of adult content (xnxx.com, US) with pornographic videos, some of which seem to belong to child pornography.

[1] Following the closing in January 2012 of Megaupload, Mediafire CEO stated that, unlike Megaupload, his company was not built on the piracy model. See S. LUDWIG, "MediaFire CEO: Unlike Megaupload, our business model isn't built on piracy", VB, 22 January 2012, http://venturebeat.com/2012/01/22/mediafire-megaupload-business-model-piracy/

7. THE FILM MARKET

7.1. Historical overview

The world of cinema settled in Egypt as early as 1896 with the screening of the Frères Lumière films in Cairo and Alexandria. It took its Egyptian dimension at the beginning of the 20th century. Many fictions were filmed in Egypt (like Al Salam in 1917) until the advent of *Zeinab* in 1929, which introduces melodrama, marking the history of Egyptian cinema until the present.

Since 1920, Egypt has then had its own film industry. Its production capacity had no equal in the rest of the Arab world and was also a major attraction used as a powerful Arab cultural reference. With such assets, Egyptian cinema became the popular cinema of the Arab world. It benefits from a solid national base: a well structured film and distribution industry with an attendance rate reaching 25 to 30 million admissions per year[1].

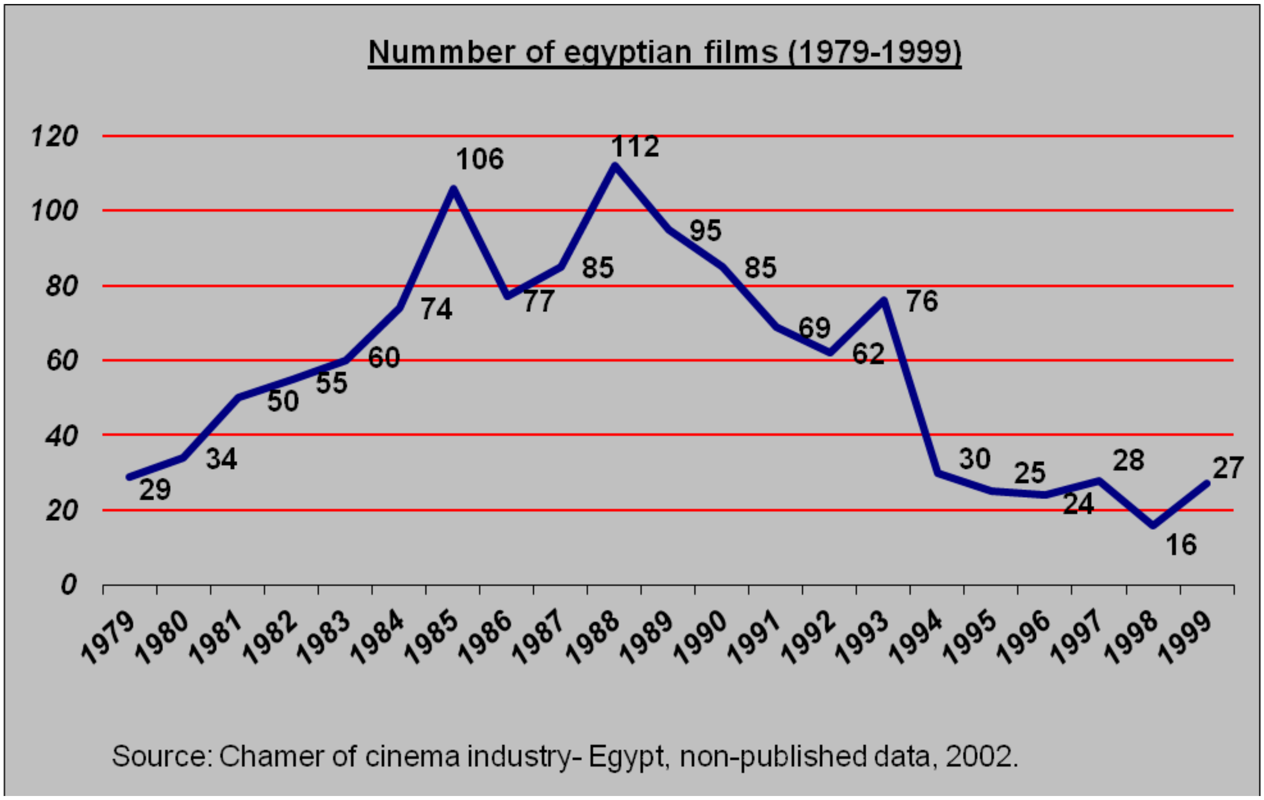
Since then, a continuous and evolving creative process is set in motion. Over the years, a film industry with a cultural scope takes a prominent space in the film market in Africa and the Near East; with Arab countries as the main markets of Egyptian cinema.

With the important literary and cultural advances of Egypt in the 20th century, Egyptian language played a prominent role in propelling Egyptian film industry to the Middle East. As the closest Arabic dialect to standard Arabic (what is used and supported in the media generally), the Egyptian language has the advantage of being easily understood in the Mashreq and Maghreb. This unifying medium has ensured the continuity of Egyptian film industry in the region.

When Egyptian film industry including production was nationalized under Nasser, private production and distribution were not prohibited. Socialist legislations and regulations on the one hand and the cupidity of some tycoons in the sector on the other contributed to reducing film production. Still, the number of films produced and of staff is a useful indicator of film industry performance. According to available information provided by the Chamber of Film Industry, over 40 films are produced annually. A more detailed distribution indicates an average of 20 films between 1927 and 1945, 50 between 1945 and 1990 and 44 between 1990 and 2000. A production peak was reached in 1988 with 112 films. However, a decline in production occurred in the 1990’s with the low figure of 16 in 1998[2].

[1] *Marché du Film 2011, Focus 2011, World Film Market Trends, Tendances du Marché mondial du Film*, European Audiovisual Observatory, p.61. For more details on attendance, see below: 7.3.4 Film production (2002-2011**) :** b. Top 20 best US films/ Egyptian Box office 2011

[2] Some companies with a large capital and 35 to 40 employees entered the business of production, distribution and movie theatres, raising the level of vertical integration, See Ahmed Farouk Ghoneim, *Competition, cultural variety and global governance : the case of the Egyptian Audiovisual System,* HWWA-Report 246, 2004, p.25



7.2. Political control

Film industry is placed under the administrative control of the Ministry of Culture. Since Nasser's revolution in 1952, the appointment of the Minister of culture has always been carried out under the control of the State agency for domestic security. Cinema has been the subject of censorship control.

After the fall of Mubarak, the appointment of the Minister of Culture, Emad Abu-Ghazi, was the first not to have received the approval of security services and testified to the will of reform.[1] Later, he was replaced on 7th December 2011 by Dr. Shaker Abdel Hamid Sulliman Ali. The areas of reform have not been announced yet.

The victory of religious parties at the legislative elections of November 2011- January 2012 leads to believe that there may be an impact on the choice of film policy, and professional media speak of the likely upholding of censorship. Early February 2012, the very popular comedian Adel Imam was sentenced to three months imprisonment for contempt to Islam[2]. On 28th February 2012, professionals signed a petition against the

[1] A. AAIEK, "Fresh Interest in Egyptian Culture", *Variety Arabia*, April 2011.
[2] Reuters, 2 February 2012, http://www.reuters.com/article/2012/02/02/us-egypt-actor-jail-idUSTRE8111AJ20120202

ban of *Cairo Exit* by Hesham Issaw at the African Film Festival of Luxor. The film features a love story between a Christian woman and a Muslim man.[1]

7.3 Main institutions

7.3.1 The National Film Centre (CNC)

CNC is located in Giza, in the “Arts City” which includes among others Studio Misr (founded in 1935), the Higher Film Institute, a few administrations of film industry and Festivals, etc. CNC is a major player of film activity in the country.

CNC is a State institution founded in 1980. It operates under the Ministry of Culture and has a large film development and printing laboratory. Thanks to its department of the National Film Archive, CNC is a member of the International Film Archive Society (FIAF) at Brussels. CNC is dedicated to production activities, to the regional and international promotion of Egyptian cinema, to saving and storing preserved original copies considered as works of art and documents of historical value.

CNC includes the following departments:

1. The production department

It is responsible for producing and/or contributing to the production of short and feature films, documentaries, children’s films, and cartoons. The department selects works via “the reading committee”. The budget devoted to the department is one million EGP, in other words 134,729.44 EUR. Obviously, this does not amount to a large contribution by CNC to a massive film production[2].

2. The Festival department

Its activity focuses on two main areas:

- To take part in international film festivals;
- To organize the Egyptian film Weeks abroad and those of foreign films in Egypt;
- To organize Egyptian film screenings in cultural events locally and abroad, in Egypt and around the world.

[1]The daily Star, 28 February 2012, http://www.dailystar.com.lb/Culture/Film/2012/Feb-28/164838-censors-ban-screening-of-taboo-egypt-film.ashx#axzz1qQqbkfEu

[2] According to the Director General of the production Department, Mr. Galal Eid : «I*n April 2012, CNC applied to the government to increase the budget allocated to production to 5 million EGP. In case of approval, the amount comes into effect on June 2013 allowing CNC to undertake higher contribution to various types of films*». The statement was recorded during our meeting with the Director General of the production Department at CNC main office, in Cairo, in June 2012. Besides, during our discussion, with CNC Director General, Mr. Magdi Ahmed Ali, we did not have any information on the annual budget granted to CNC by the State. He explained that, due to the political situation of the country, CNC as well as all other state institutions are not allowed, by ministerial order, to give any financial information.

A summary of the activities of the department in 2010 indicates that 302 Egyptian films (feature films, short films, documentaries) were screened in international festivals, culture weeks and internal and external cultural events of the year. Film formats vary between 35mm, DVD and VHS. An assessment of the same year indicates that CNC took part in 56 international festivals, in 18 Egyptian and foreign film weeks, and in 32 cultural events most of which took place outside the country.

Although unlike in 2010, in 2011 the assessment does not indicate the number of films screened in festivals, film weeks or cultural events, participation at such activities has declined. According to 2011 assessment, CNC took part in 34 international festivals, 6 film weeks and 32 cultural events. The political instability of the country, the protests of CNC staff claiming wage raises and the dismissal of the former director of CNC explain the decline in 2011. Early 2012, the famous filmmaker Magdi Ahmed Ali was appointed at the head of CNC.

3. The Import-export Department

Any Egyptian film exported abroad must have "an export licence" delivered by this department. Its main tasks consist in observing the film activity on external markets and importing foreign films in Egypt.

4. The centre for film culture

The priority goal of the centre, which is a department of CNC, consists in disseminating film culture by organizing screenings followed by conferences.
The centre has a library of Egyptian films (short and feature films, documentaries and children's films). Its resources are used for film screenings and as scientific resources to researchers in the field of cinema.
For this purpose, it is worth noting that the single annual publication by CNC is a kind of information register on Egyptian actors with the films in which they played. Each year, around 20 Egyptian actors are added to this publication.

5. National film Archive

Thanks to the law on film protection enacted in 1975 but only coming into force in 1984, CNC Archives has over 5,000 Egyptian films (short and feature films, documentaries and children's films) including 2,600 feature films[1].

Since 1984, date when the law was enforced, the Archive has required a-35mm copy of any feature film produced or coproduced by Egypt; a compulsory submission procedure applying only to feature films. The official function of the Archive perfectly reflects the concern to safeguard and protect Egyptian film heritage. With the adequate equipment and facilities, as well as the right skilled staff, the Archives carry out the collection, cataloguing, preservation, promotion of access, film restoration and storage of

[1] Figures provided by the Director General of the Department of National Film Archive, Suzanne Radouane, CNC office, June 2012

preserved originals. As it meets the conditions, and seeks no profit out of the films, the Egyptian National Film Archive is a member of the International Film Archive Federation (FIAF) in Brussels.

6. The Unit of Independent Cinema

One of CNC departments is in charge of providing logistic and technical assistance to independent film directors. The cinema unit lends filming equipment to young directors (cameras, tripods, cables, lighting, sound equipment, etc.). Thanks to film copies supplied by these film directors, the unit takes part in independent festivals and organizes film showings at film events of the same nature.

7.3.2 The Chamber of cinema industry

It is an institution under the Ministry of Industry and not of Culture. It is the primary destination of any company in the sector.

The Chamber is the only body authorized to issue documents certifying film ownership right. Certification is the first step in a process set up by the Chamber which subsequently organizes committees to determine film value; its report is required to obtain an export licence from the general import-export administration. The role of censorship comes next. The relevant administration delivers a validity certificate used by the producer to set off the necessary procedures at the customs services for customs and export fees.
It is worth underlining that due to the status of the Chamber as the only institution with the authority to deliver certificates of film ownership rights, its data on the number of films produced, of production companies and of cinemas is the most reliable.

7.4. Film production

Film production is a business governed by market rules and requiring significant initial investment, a distribution network and adapting screening facilities. Return on investment is only received when admissions are cashed. Potential production funds is what remains after cinema operators have been paid, and profit shares of distributing companies have been settled. With this, Egypt is the only Arab and South Mediterranean country with an effective and self sustained industry.

Five highly centralized sectors govern film industry in Egypt, namely: 1) Production, 2) Distribution, 3) Filming, 4) Film printing and development, 5) Operating. In principle, when a company is legally registered as a company in film industry, it may operate in one or more of these sectors. In the past, companies used to prefer specializing in one or two of them. But recently, as a result of the process of vertical integration which is beyond sector segmentation, this trend has changed.

7.4.1. Film production and distribution companies

On the basis of data collected at the Chamber of film industry, the film market in Egypt includes over 200 active companies in film production and distribution. In order to report on the main players in the production and distribution market a survey was carried out on the number of films each company produced between 2002 and 2011. Out of a total of 378 films produced in that period, the companies in the following table produced 282. A quantitative assessment indicates that 20 operating companies have an important share of the market. The following are at the top of the list: El-Nasr, El-Massah and Oscar with a production and/or coproduction of 40 films. Companies which produced between 11 and 24 films during the same period rank second, namely: Arab Society for Cinema 24 films, Albatros 17, Al-Adl Group 14, El-Sobki Film for Cinema Production 15 and New Century 12. With a total of ten or less, 12 companies rank third. Yet, this quantitative ranking does not prevent some of these companies, like Good News For Film & Music for example which has exceeded, for some of its productions, the threshold of 30 million EGP (in other words 3.9 million EUR), from playing an important role in the market.

Leading Egyptian film production and distribution companies

	Name of company	Total number of films (2002-2011)
1	Al Adl Group	**14**
2	Albatros Artistic Production &Distribution	**17**
3	Arab Society for Cinema Production& Distribution	**24**
4	El Nasr Film	**39**
5	El Massah	**40**
6	El Sobki Film For Cinema Production	**15**
7	El Sobki Video Film	**10**
8	EMPC (Egyptian Media Production City)	**11**
9	Film Clinic	**5**
10	Film House	**3**
11	Good News for Film & Music	**8**
12	Guirguis Fawzi Films	**5**
13	Karim Sobki Films/ Production & distribution	**9**
14	MISR Al-Alameya Films	**4**
15	Misr Cinema & Artistic Production	**7**
16	Nahdet Misr	**2**
17	New Century Production	**12**
18	Oscar for Production & Cinema Distribution	**40**
19	United Artistic Group	**7**
20	United Brothers Cinema Production	**10**

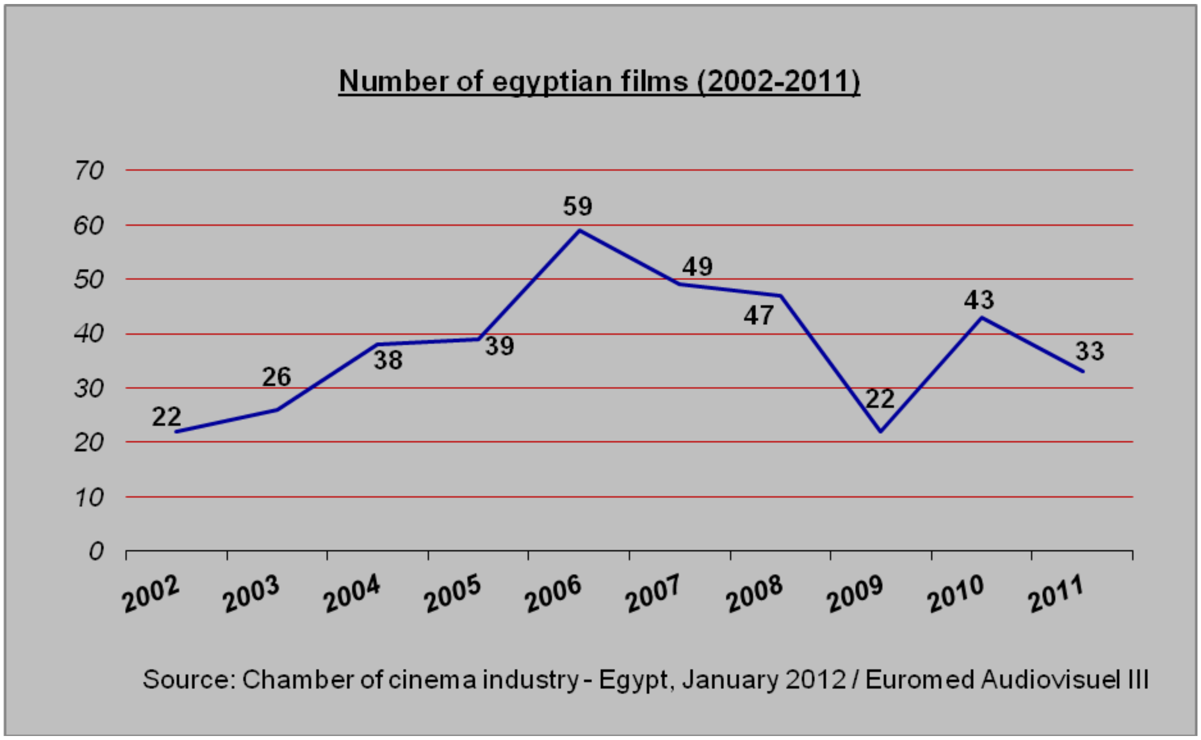
Source: Euromed Audiovisual III based on data from the Chamber of film industry.

7.4.2. Film production (2002 – 2011)

Whereas the production of a small budget film costs between 7 and 8 million Egyptian Pounds (in other words between 1.3 and 1.5 million USD), for an average budget film, production requires between 10 and 13 million EGP (in other words 1.8 – 2.4 million USD). Required funds for a large budget film may reach 25 million EGP (4.6 million USD). Large production budgets may exceed 30 million EGP (55 million USD); and such threshold has only been exceeded by Good News for Film & Music for artistic production[1].

Between 2002 and 2011, 378 Egyptian films were produced. The production peak was reached in 2006 with 59 films. Between 2002 and 2005, the number of produced films increased from 22 to 39. The peak of 59 was reached in 2006 and was followed by a slight decline in 2007 and 2008 with 49 and 47 films. 2009 fell by more than half compared to 2006: only 22 films are produced that year. The figure is almost doubled in 2010 with the release of 43 films. However, a significant decrease is observed in 2011 compared to the previous year: 33 films are produced in 2011. The political events in Egypt during that year may certainly account for the production decline. But fluctuation is to be noted as production has hardly succeeded in the past ten years to exceed the 60-film bar. It should also be noted that, although it is high, the 378-figure for 2002- 2011 productions, it is relatively low compared to the infrastructure of the film market: 544 cinema facilities and over 200 production/distribution companies.

[1] Film Market 2009, *Focus 2009, World Film Market Trends- Tendances du Marché Mondial du Film*, 6th Dubai International Film Festival, European Audiovisual Observatory, p.70



7.4.3. Importance of coproductions

The assessment of the list of 16 Egyptian films which have accessed the European Union[1] in a way indicates the importance of coproduction in accessing the European market: out of the 16 films, 7 had the benefit of a coproduction with one or more States of the European Union. France was a partner in six of them. It should be noted that long before the considered period, France was the single European co producer of three of Youssef Chahine's films: *Al-massir* 1997, *Le destin* 1999 and *Skoot hansawwar* 2001).

The same list also indicates that Egypt appears as minority producer in 4 out of the 7 coproduced films. In addition, some Egyptian films are only completed thanks to coproduction contribution from European Union countries but have only been distributed in Egypt or in countries which make its main market. This applies to the many other Egyptian films with European development funds for Arab and/or South Mediterranean cinema.

On the other hand, it should be noted that, in addition to European Union funding, Egyptian cinema also has increasing financing opportunities through film festivals in the Gulf such as Dubai International Film Festival, Abu Dhabi Film Festival or Doha Tribeca Film Festival.

[1] See below 7.6.2.

7.5. Film distribution and operation

7.5.1. Distribution structure

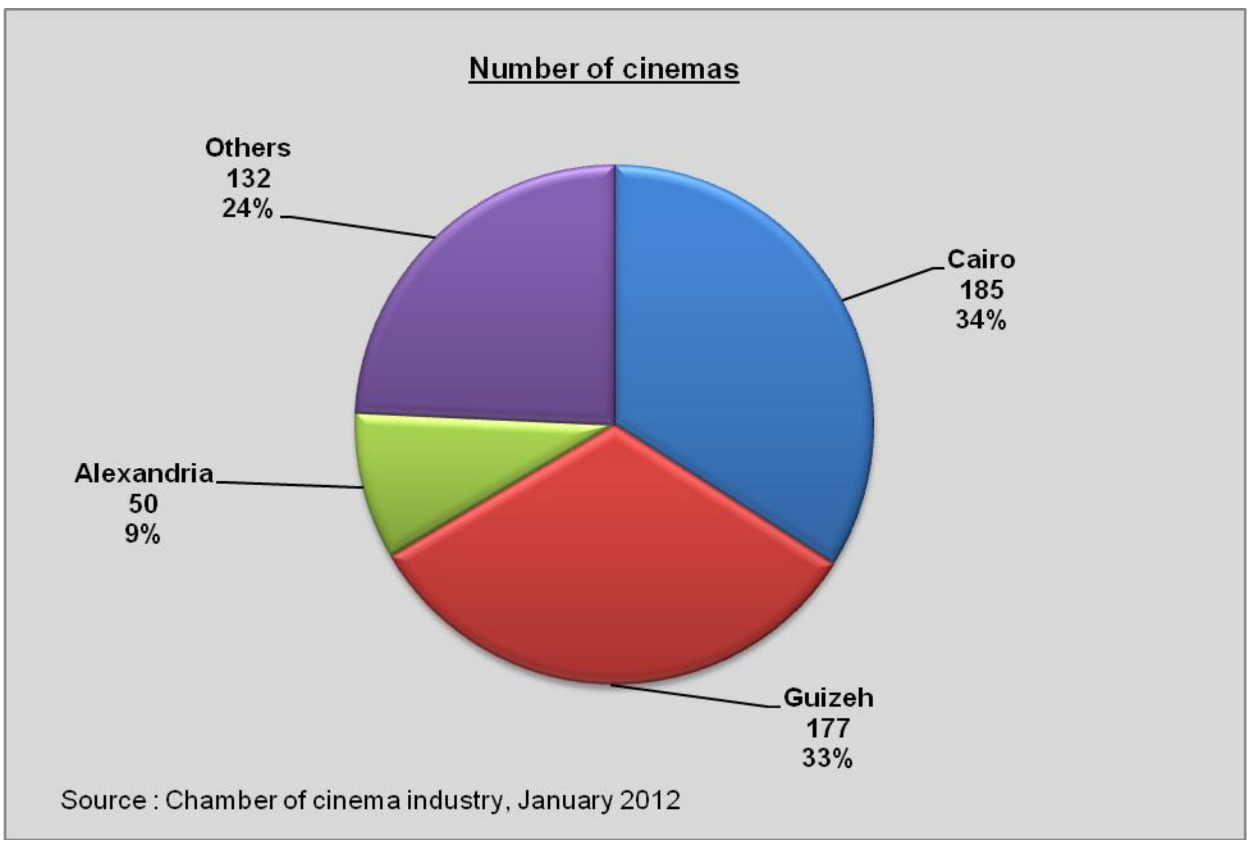
The distribution of Egyptian films is generally carried out by the same production companies as those described in 7.4.1. Data on respective market shares of the various distribution companies is not published.

7.5.2. Operating structure

According to the records of the Chamber of Film Industry, there are in Egypt 544 cinemas, each with a registration number at the Chamber.

An identification card for each facility includes location, owner and category of the facility (first or second class). Although they are important, this data is incomplete due to the unavailability of information on the number of screens and/or seats in each cinema.

Three major Egyptian cities, Cairo, Giza and Alexandria share 76% out of the 544 cinemas, while the rest of the country has 24%. Cairo ranks at the top of the list with 185 cinemas, or 34%, Giza comes second with 177 or 33%. While Alexandria comes third with 50 cinemas, or 9%, the remaining 132, or 24% of the total are located in the 24 other cities of the country.

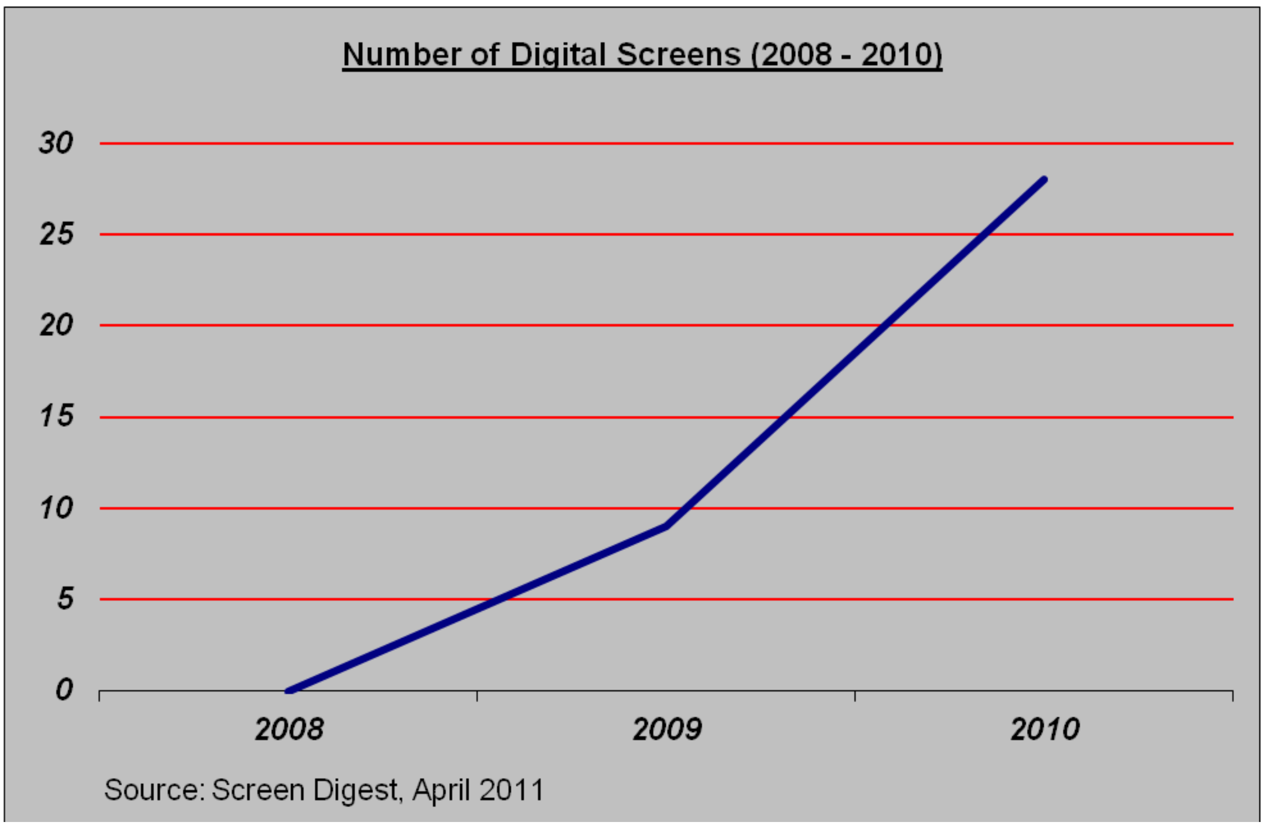


The company Al Arabia Cinema Production & Distribution[1], created in 2000, appears as the main production company in the Middle East, but also as the main operating network in Egypt where it operates 100 screens[2]. The group is also active in international distribution and sale. It is then an integrated group. In May 2010, it announced its open commercial policy, allowing films of other companies on its screens and allowing its own films on other networks.[3]

7.5.3. Digitization of cinemas

In Egypt, digital screens appeared suddenly in 2009, with 9. The process kept increasing as there are 28 digital screens in 2010. Egypt now ranks thirteenth globally in the "*Top 20 d-screen growth territories*" with a growth of 211.1%.[4]

In the same regard, it should be noted that the first three cinemas in 3D opened in November 2009, when *A Christmas Carol,* US film, was screened. These cinemas are in the largest complex, "Star Cinema", which includes 21 screens[5].



[1] http://www.alarabiacinema.com/
[2] Fact sheet *Marché du film 2011. The Guide*, Market of Cannes Festival, 2011, p.194
[3] Al Arabia Press release, 5 May 2010. http://alarabiacinema.com/egypt/en/news1/view/16
[4] "Digital Cinema over the tipping point, 3D drives 2010 growth", *Screen Digest, Global media intelligence*, April 2010, n.475, p.110-112.
[5] *Marché du film 2010*, op.cit, p.70

7.5.4. Prices of admission tickets

Ticket prices vary according to the kind of facility and its location. Rates in the least well equipped are around 15 EGP in other words (1.8 EUR/ 2.5 USD). This rate is significantly lower than in a city multi-cinema complex where rates range between 35 and 60 EGP (4.3 and 7.3 EUR). In some very modern facilities, (3D screen), ticket prices reach 100 to 120 EGP (in other words 12.3 to 14.7 EUR)[1.]

7.5.5. Data on film success

Operators and distributors provide data on film success (in receipts and not in number of admissions) to the Chamber of Film Industry which establishes statistical assessments on Arab films. These are not published but are provided on request.

Concerning foreign films, especially US films, data is published on a weekly basis by Rentrak on its iPhone application Filmscope Worldwide[2] and by Box office Mojo[3]. This data is obtained from distributors and not on the basis of a consistent collection from operators, as Rentrak does on the large Western markets.

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1 On site estimations, January 2012.
2 http://www.filmscope.com/
3 http://boxofficemojo.com/intl/egypt/

Ranking of the 20 best Egyptian films on the basis of box office receipts (2011)

Rank	Title	Production company	Weeks	Box Office (EUR)
1	X Large	United Brothers Group	8	3 493 030
2	Sharaei El-Haram	El Sobki Video Film	10	1 672 650
3	365 Yom Saada	El Seifi Compagny	29	1 357 960
4	Sami Oxyd El-Carbone	New Century Production	12	1 247 610
5	Fassel Wa Naoud	United Artistic Group	28	1 156 750
6	Tac Tac Boum	Arab Society For Cinema P& D	10	1 112 560
7	Cima Ali Baba	Bird Eye	8	984 314
8	678	New Century Production	9	892 961
9	Bibo w Bashir	New Century Production	10	831 181
10	Amn Dawlat	New Century Production	8	722 416
11	Bonne soirée	El Sobki Video Film	8	620 429
12	Kaf El Kamar	Misr Cinema Production	8	565 822
13	Izaet Hob	United Artistic Group	9	485 891
14	Ana Badi' Ya Wadi	Melody Pictures	10	417 785
15	Sarkhet Namla	Misr Cinema Production	13	353 446
16	El-Fagoumi	Mid-Night Sun Production	8	191 349
17	Ya Ana Ya Howa	Panorama Media Production	9	152 140
18	El Watar	United Brothers Group	10	114 809
19	Microphone	Film Clinic	10	89 296
20	El Fil Fi El Mandil	El Sobki Film for Cinema Production	8	68 163
	Source: Chamber of Cinema Industry/ Euromed Audiovisual II			

These 20 best Egyptian films of 2011 Box Office made a profit of 129,605,390 EGP (in other words 16,530,562 EUR or 21,410,707 USD). It is important to note that the two annual periods of Muslim festivals are annual film seasons during which producers/distributers make their best to ensure their films' profitability. Generally, comedy and/or action films are screened during the holidays.

The boom[1] which was evidenced by cinemas during the celebration of the Greater Eid in November 2011, with a daily average of revenues of 2 Million EGP (245,493 EUR), exceeds the bar of 30 million EGP (3,682,390 EUR)[2]. Undoubtedly, the political events in the country have affected this blooming of the sector; whereas X Large films easily make 2,086,690 EUR in their first two weeks of screening, the remaining 1,406,340 EUR is hardly made in the last six weeks of the year. The same goes for the other films screened in the same period and figuring in the 2011 Box Office.

Given the unstable political situation since the outbreak of the revolution, this situation is applicable to all screenings of the year. In this regard, let us note that access to information such as the annual revenue assessment of all films screened is impossible. Such an assessment would have been useful for a more detailed and exhaustive

[1] *Egyptian Film Industry Assessment 2011*, www.masrawy-news.com
[2] Conversion of local currency (EGP) in USD and in EUR is based on the rate of exchange set by Oanda currency converter on 31 December 2011, http://www.oanda.com/currency/converter/

description of the Egyptian market. However, with Box Office data we can report on the shares of the Egyptian film market.

7.5.6. Distribution of foreign films in Egypt

The Egyptian market is known as quite closed. IIPA 2012 report indicates that the 46% tax on imports is an obstacle to market access[1], including to films from other Arab countries.

The strategy of Hollywood studios with regards the Egyptian market is little documented. These studios have no subsidiaries in Egypt. It seems that operate from their subsidiary in Britain, through intermediate distributors or, if available, from local offices.

The distribution of American films is partly carried out by Italia Film-Egypt, a subsidiary of the group G. Vincinti & Sons established in Lebanon[2]. The group, which began its activities in 1954 in the distribution of Italian films in the Middle East, afterwards extended its activities and distributed French and American films. In 1993, it was chosen by Walt Disney (Buena Vista international) for distribution in the Middle East. Three subsidiaries share the territory: Italia Film-Lebanon (Lebanon, Syria, Jordan, Sudan, Iraq, Iran and Libya), Italia Film-U.A.E. (United Arab Emirates, Saudi Arabia, Kuwait, Qatar, Bahrain, and Oman) and Italia Film Egypt. The company also distributes on an exclusive basis films of Miramax, Focus Features, Beacon Productions, MDP Worldwide and European companies such as Europa Corporation (FR) and Intermedia (GB). The company claims to have been the first to obtain a 60% percentage on revenues of films distributed in Egypt and to have been the first company to distribute its films in the Gulf countries on the basis of a percentage of revenue.

[1] 2012 Special 301: Egypt, International Intellectual Property Alliance (IIPA), issued February 10, 2012, p.165 http://www.iipa.com/rbc/2012/2012SPEC301EGYPT.PDF

[2] http://www.g-vincenti.com/sister.htm

Ranking of top 20 American films by box office revenue in Egypt (2011)

Mojo Box Office gives a list of 100 American films screened in Egyptian cinemas in 2011, making a total of 12,063,135 USD (8,963,140 EUR). The 20 American films which have marked the Egyptian Box Office recorded a total of 7,086,440 USD (5,265,360 EUR).

Rank	Title	Distributor	Gross in USD	Release
1	Pirates of the Caribbean: On Stranger Tides (3D)	Disney	768,158	5/18
2	Harry Potter and the Deathly Hallows (Part Two)	WB	637,962	7/13
3	The Twilight Saga: Breaking Dawn Part 1	n/a	623,391	11/16
4	Mission: Impossible - Ghost Protocol	UIP	548,142	12/14
5	Sherlock Holmes: A Game of Shadows	WB	530,117	12/21
6	Fast Five	UIP	447,618	5/4
7	Transformers 3	UIP	379,866	6/29
8	The Hangover Part II	WB	345,540	5/25
9	Final Destination 5	WB	342,370	9/21
10	Rise of the Planet of the Apes	Fox	316,192	8/24
11	Kung Fu Panda 2	UIP	268,439	6/1
12	The Smurfs	Sony	263,629	8/31
13	In Time	Fox	245,310	10/26
14	Rio	Fox	222,373	4/27
15	Alvin and the Chipmunks: Chipwrecked	Fox	219,047	12/14
16	Cars 2	Disney	194,897	6/22
17	Mr. Popper's Penguins	Fox	190,783	6/29
18	The Adventures of Tintin	Sony	183,106	11/2
19	Horrible Bosses	WB	180,056	7/20
20	Killer Elite	n/a	179,444	9/28
	Source: Box Office Mojo, Egypt Yearly Box Office 2011; www.boxofficemojo.com			

The full list of Egyptian and American films screened in 2011 would have certainly been an accurate indicator on the market share of American cinema in Egypt. However, previously provided revenues indicate a total Box Office for Egypt of around 22 million EUR (28 Million USD). If we assume the average price of a ticket is 2.5 USD, we may estimate the number of admissions in 2011 at 11.2 million.

While local production is dominant and represents 83% of the market, the share of American cinema is 17%. It should be noted that due to the limited number of copies that Egyptian authorities authorize foreign films to have[1], these cannot compete with the local production in terms of tickets and admissions.

[1] In order to protect film industry and market, Egyptian authorities authorize the distribution of eight copies only of each foreign film screened in Egypt.

The distribution of European films in Egypt is marginal. It is mainly done by the national cultural centres and the cinemas supported by the network Europa Cinema in Cairo: City Stars, Galaxy, and Golden Stars Cinema.

7.6. Distribution of Egyptian films abroad

7.6.1. Distribution in Arab countries

The Arab region has always been the main market of Egyptian cinema. With popular cinema, separation films in the 1950's, and neo-realist cinema in the 80's, Egyptian cinema dominated the region as the only Arab alternative to American, Indian and European productions. The situation persists to the present despite the rise of new Arab productions during the last twenty years and the obstacles hindering the development of an Egyptian film industry.

Receipts vary according to the period; and political change affects market shares. During the 1970's, Egyptian films were distributed in Lebanon, Syria, Jordan and Iraq. During the 80's, 90's and 2000's, exports vary and the countries where Egyptian cinema is distributed are: Saudi Arabia, Kuwait, and Gulf countries. These three export poles become the main source of income for Egyptian cinema[1].

Revenue of Egyptian film distribution between 2000 and 2008 (the only available data), in the various forms of operation: cinema, television and video tapes, gives clear indication on its presence abroad. The following is average revenue compared to overall film revenue abroad.

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[1] Madkour Thabet, «Egyptian film industry», in *Cinéma et monde musulman, cultures et interdits*, EuroOrient, L'Harmattan, Paris, 2009, pp 27-56.

Revenue distribution by regions in the world of Egyptian film exports (estimates of the early 90's).

Regions	Rates
KSA	40% to 45%
Kuwait and The Gulf	20% to 25%
North Africa (Tunisia, Algeria, Morocco)	6% to 8%
Syria, Lebanon, Jordan	between 7% to 10% of the global total of each country
Yemen	2% to 5%
America & Europe	2% to 4%
Source: Madkour Thabet, Industrie du Film Égyptien, Cinéma et monde musulman, 2009.	

In the same context, despite the domination by American cinema, Egyptian films continue to play a major role in the Box Offices of Qatar and Bahrain. They are also present in those of Lebanon and Jordan. As to the Box Office of the Occupied Palestinian Territories, it consists exclusively of Egyptian films[1].

7.6.2. Distribution in countries of the European Union

Egyptian professionals often complain about the difficulty for their films to access European screens and about the very low shares Egyptian films get on this market. Between 2002 and 2010, 16 Egyptian films were distributed in Europe, including seven co-productions.

[1] *See* Focus 2011, Focus 2010.

Number of admissions to Egyptian films distributed and/or coproduced in the EU (2002-2010)

Title	Country of production	Year of production	Director	Admissions EUR-EU
11'09''01-September	FR/EG/GB/IL/IN/IR/JP/MX/US	2002	diverse	385 612
Omaret yakobean (AR)	EG	2006	Marwan Hamed	121 016
Ehky ya Scheherazade (AR)	EG	2009	Yousry Nasrallah	93 709
Alexandria…New York	FR/EG	2004	Youssef Chahine	27 724
Dunia (AR)	EG	2005	Jocelyn Saab	12 377
Cairo Time (EN)	CA/IE/EG	2009	Ruba Nadda	10 961
Le Chaos (FR)	EG/FR	2007	Youssef Chahine	9 059
Y.N: I bring what I love (FR)	SN/FR/EG/ US	2008	Elizabeth Vasarhelyi	3 645
Ramadan M. Hamouda (AR)	EG	2008	Wael Ehsan	3 408
Welad el am (AR)	EG	2009	Sherif Arafa	2 938
Bobbos (AR)	EG	2009	Wael Ehsan	2 448
Bab el shams (AR)	FR / EG	2004	Yousry Nasrallah	2 017
Khaltet Fawzeya (AR)	EG	2008	Magdy Ahmed Aly	62
Genenet al asmak (AR)	EG / FR / DE	2008	Yousry Nasrallah	55
Hassan wa Morcus (AR)	EG	2008	Rami Imam	48
Heliopolis (AR)	EG	2009	Ahmad Abdallah	45

Source: LUMIERE Data Base, European Audiovisual Observatory, March 2012

In the period considered, the market share of Egyptian films distributed in the European Union is very small: less than 0%. According to the data of the European Audiovisual Observatory, non-European and non-American films represent generally cumulative shares of the market estimated at 1% and 2% in the EU.[1]

It means that to Egyptian and Arab films in general, the European market remains extremely closed, may be more so than Egyptian and Arab markets could be to European films.

Many reasons may explain why access is so difficult. The domination of the European market either by national production or by American cinema and the absence of a real Egyptian distribution network in Europe highly limit the chances for a strong presence of Egyptian cinema in Europe. The reasons behind the poor circulation of Egyptian films in Europe are the same as for European films in Egypt and for films of other origin: Russian, African and Asian. Add to this the fact that all “other” film industries will inevitably be in strong competition with national Egyptian production taking over 80% of the local market, followed by American cinema ranking second on this market.

[1] The LUMIERE data base of the European Audiovisual Observatory (http://lumiere.obs.coe.int) regularly provides an update of available data concerning revenues made by films distributed in cinemas in Europe since 1996. It is the outcome of collaboration between the European Audiovisual Observatory and the various national specialized sources as well as with the MEDIA Program of the European Union.

Films by Egyptian film directors with international reputation, especially Youssef Chahine, received DVD editions in France and Switzerland.[1]

7.6.3. Other parts of the world

Little data is available on Egyptian films in other parts of the world. Rentrak data collected in ten non-European countries (United States/Canada, Mexico, Brazil, Argentina, Chile, Colombia, Venezuela, South Korea, Australia, New Zealand) for 2009 and 2010 show that two films have received minimum distribution : *Cairo Time* by Rubba Nada (Canada / Ireland / Egypt, 2009) was distributed in the United States/Canada, Mexico, Australia and New-Zealand. The coproduction *Youssou Ndour: I Bring What I Love* by Elizabeth Chai Vasarhelyi (Senegal/ France/ Egypt/ United States, 2008) was distributed in the United States.

A few of Chahine's films were edited in DVD in the United States.

7.7. The physical video market

Concerning DVD distribution, Egypt belongs to Zone 2 along with Japan, Europe, South Africa and the Middle East[2].

The video market is little documented. Editors from Egypt or other Arab countries (in particular the Arab group Rotana) publish national films. American studios distribute their films in original language. The main selling points are the large specialized retailers (Virgin Megastore …).

Legal supply is confronted with the pirate market. Even though the International Intellectual Property Alliance (IIPA) report focuses more on internet piracy and on illegal DVD dissemination by some television channels, it also notes that physical piracy (of DVD) is an issue in retail stores and street stalls[3]. It is also a serious problem in most Egyptian cities and an obstacle to market development.

7.8. Recent VoD beginnings

Although the consumption of films and of online television series is, in Egypt as in the rest of the world, dominated by piracy, there are attempts to launch legal supply targeting the entire Arab-speaking market. Saudi Arabia and Gulf States seem to be the main markets in this preliminary stage.

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1 As an example, *Alexandrie pourquoi*?, *La Mémoire, Alexandrie encore et toujours*, *Alexandrie... New York* were edited in a package by France-Télévisions. *Gare centrale, Le Moineau* and *Le retour de l'enfant prodigue* were edited in Switzerland by Trigon Film and in France by Pyramide Vidéo.

[2] The industry main players have designed a zone system to limit disc exports outside the designated regions, allowing editors to keep control on sale prices and individual release dates in every region of the globe.

[3] Op.cit, p.165

7.8.1. Shofta.com

The most important among these initiatives is probably Shofta.com[1].

LINKonLINE, a subsidiary of LINKdotNET (a company of the group Orascom Telecom Holding) announced in February 2010 the launching of a new entertainment service called Shofta, in collaboration with producers and owners of film and television series rights[2].

The service which is available in English and Arabic, is accessible legally by anyone anywhere in the world to view online the latest Arab films and television series the same day as their international release. Films and series are provided in high resolution, without advertising, through online streaming or downloading, as video files are all protected by DRM, probably using the Microsoft Windows Media DRM.

Shofha.com offers a large catalogue of films and series, for loan or sale, to be downloaded or viewed online. Television series are available as whole seasons or by episode; “highlight” 5-minute options are also available.

The available options are :

- Final download
- Download with three viewings possible
- Loan by downloading for 48 hours
- Loan in streaming (Option “Internet cinema”) for 24 hours.

Prices vary for each option according to countries. International users paying in USD pay 6 USD for purchase, 3 USD for loan and 9 USD in streaming. In the United Arab Emirates, purchase is 9 AED, loan is 5 AED and streaming 7 AED.

Users may also use their credit cards or prepaid cards provided by LINKdotNET in Egypt. The company also offers to all its LINKDSL customers a 50% discount on all shofha.com services. It is presently discussing with other companies of the region to be able to provide similar offers.

The main strategic partner of the project is the Saudi group Rotana[3], which produces and owns rights of a large range of Arab films and series, old and recent.

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[1] http://shofta.com

[2] M. MARWEN MEDDAH, “Shofha.com, Arabic Movies & Series Online On Demand”, Start Up Arabia, 13 February 2010, http://www.startuparabia.com/2010/02/shofha-com-arabic-movies-series-online-on-demand

[3] Rotana group (http://www.rotana;Net) is headed by Prince Al-Waleed Bin Talal. In February 2010, News Corp. of Rupert Murdoch purchased 9 % of the group’s shares. *The Hollywood Reporter*, 23 February 2010, http://www.hollywoodreporter.com/news/news-corp-buys-9-stake-20977

7.8.2. Du

In September 2011, Al Arabiya made an agreement with the British company On Demand Group, specializing in law portfolios, to distribute its films in Saudi VoD service of Du operator, launched in 2009.[1]

For now, we have no data on the success of this kind of service.

7.9. National film events

Three major international events take place in Egypt annually.

7.9.1. Cairo International Film Festival

The International Film Festival (CIFF) was founded in 1976 and is probably the oldest film festival in the Middle East. It is an important film event offering the chance to discover interesting productions from Egyptian, Arab and foreign cinema. Because of the political events which occurred in 2011, the festival did not take place for the first time since its creation. For the 2012 edition however, over 150 films from some forty countries are scheduled[2].

In the course of years, CIFF acquired a reputation which places it among the most prestigious gatherings of cinema. In addition to the iconic figures of Egyptian cinema, Cairo Opera has also been inviting the most famous figures of European and Hollywood cinema.

The Cairo International Festival is accredited by the IFFPA.

7.9.2. Alexandria Film Festival

It is organized by the Egyptian Association of film writers and critics and sponsored by the Egyptian Ministry of Culture in cooperation with Alexandria governorate. AFF is an annual international film festival considered as the second most important national film event.

At the 25th edition of the festival in 2009, 13 Mediterranean States participated in the official competition, including Egypt, Spain, Algeria, Croatia, Slovenia, Greece, France, Turkey, Cyprus, Albania, Tunisia, Italy and Montenegro. Since then, it has become a

[1] "Du and On-Demand Group announce deal with Al-Arabiya Cinema Production & Distribution to bring key high quality movies to the du video on demand service", Zawya, 4 September 2011. http://www.du.ae/en/about/media-centre/newsdetails/du-AND-ON-DEMAND-GROUP-ANNOUNCE-DEAL-WITH-AL-ARABIYA-CINEMA-PRODUCTION-DISTRIBUTION

[2] The next edition of CIFF is scheduled for 28 November to 6 December 2012. See www.routard.com/guide_agenda_détail

tradition. For its silver jubilee, the festival introduced a new artistic celebration “future actors” to honor young actors.

7.9.3. Ismailia International Festival

The Ismailia International Festival for documentaries and short films includes five official competitions: documentary short films, documentary feature films, short fiction, experimental films and cartoons.

This festival for documentaries and short films was founded in 1996 to promote intercultural dialogue for better understanding among people. Over 78 films from 35 Arab and foreign States have participated at the five official competitions of the Festival[1]. Three national institutions together organize the Festival annually: the Ministry of Culture, the Egyptian National Film centre and the Governorate of Ismailia.

7.10.Obstacles to the development of the Egyptian film market

7.10.1. The Arab sponsoring phenomenon

Economic players of Egyptian film industry have progressively succeeded to own and control the commercial film type. In fact Egyptian film industry is divided into two main types: popular films with standardized content along with the Hollywood model, and committed cinema facing issues of financing and profitability.

Some Egyptian production and distribution companies have such financial power that they subject the whole industry to the most constraining economic conditions. For many years, Saudi and Gulf audiovisual production companies, with Rotana in the lead, have been financing a few Egyptian production companies. Production/operating contracts are concluded between the two parties, under which millions of dollars are paid to these local companies. Rotana and these sponsors carry out the distribution and therefore own all operating rights. It follows that, faced with the millions of petrodollars, many Egyptian production companies have become *mediators*, enforcing Arab sponsors rule on the creativity market of Egyptian cinema. It is a form of “pre-censorship” exercised on Egyptian film creativity.

In order to minimize business risks, sponsors impose content standardization (light-story, comedy, action, etc.). It results in a multiplicity of *blockbusters* with very high budgets and massive advertising campaigns which guarantee success, often prematurely. This new complex business organization and these massive investments seeking immediate profit have succeeded to impose Hollywood doctrine over the Egyptian market. In Egypt now, the value of a film lies in its launching.

[1] « The 14th international festival of documentary and short films of Ismailia», *See :* www.sis.gov.eg

Faced with these business monopolies, independent filmmakers trying to produce films which do not comply with the rules of standardization, face multiple financing challenges in the various stages of design, production and public screening.

Hence, the supposed expectations of the public, governed by sponsor/producer/distributor decisions restrain offer in the Egyptian film sector. Independent attempts rarely succeed to overcome the obstacles; undoubtedly, many projects are not completed.

7.10.2. Satellite competition

While making more room for film viewing, the emergence of new media, especially satellite, develops a new cultural practice, with “cinema at home”[1]. Since 2005, the Egyptian and Arab satellite landscape has been continuously changing. Many Arab channels have emerged, with huge technical and financial means attracting television viewers away from local channels. Rotana, ART and Orbit multi-channel packages include theme-based channels broadcasting Egyptian films only. For many years, Rotana and ART groups had bought all negatives of Egyptian films which had previously been the exclusive possession of the Egyptian Radio and Television Union.

Since ‘Rotana Cinema’ was launched on 1st January 2005, a major controversy started in the cinema environment. Indeed, the non-encrypted channel broadcasts not only old films but also all the new Egyptian films. “Over 2000 films, mainly Egyptian, are screened by Rotana Cinema”.

This strong influence over Egyptian film industry and heritage is not limited to buying film negatives and broadcasting continuously via the theme channels. Cinema complexes and halls are owned by business men monopolizing the Egyptian film sector. Their monopoly extends even to actors. As an example, Rotana has been signing contracts with actors, under which they are not allowed to work with other companies. They only play in Rotana productions to be exclusively broadcast on Rotana Cinema.

Unlike the groups Rotana, ART and Orbit, the 4 Egyptian theme channels of film (public and private) lack financial capacity to exercise the same kind of monopoly over the film market. Their activity is therefore limited to broadcasting relatively old Egyptian films. Recent films are rarely broadcast.

Hence, change in the Egyptian film market shows strong dependence to the new sources of funding from Saudi Arabia and the Gulf countries.

[1] Creton Laurent, *Le cinéma à l’épreuve du système télévisuel*, CNRS, 2002

7.10.3. Piracy

Physical piracy remains a significant problem, to both national and foreign films. Online piracy (under its various forms of streaming, file exchange, etc.) is a serious problem. In its February report, IPPA recommends keeping Egypt in the "Watch List"[1].

7.10.4. Censorship

Censorship on art works (*al-raqâba alâ al-musannafât al-fanniyya*) has been following Egyptian cinema since its inception and impacts all types but also all trends of film and art creation. It has been under various ministries before it ended in Culture, under which it presently is, and is governed by laws No. 430 of 1955 and No. 38 de 1992. The "basic principles of censorship on art works"[2] renew laws and censorship provisions in around twenty prohibitions.

With a legal foundation and procedures listed in articles 47 and 48 of the Egyptian Constitution, the main objective of censorship is to maintain security and public order and to protect morals and the higher interests of the State. However, three taboos govern the spirit and practice of censorship: politics, sexuality and religion.

Filming may not take place without the approval of Censorship. Film Directors must submit scripts to Censorship which, in case of approval, delivers a certificate authorizing filming.

It is to be noted that the 'balance of power' which has traditionally existed between the authorities and artists, has varied depending to the goals of the authorities. As an example, in the context of the anti-terrorist fight conducted by the State in the 1990's against terrorism and Islamist fundamentalists, the films of Âdil Imam, committed star against terrorism and corruption, are consistent with government policy to eradicate terrorism and limit the spread of the fundamentalist movement.

Despite the many forms of censorship intervention in the history of Egyptian cinema, film directors have been using all kinds of strategies and discursive techniques likely to evade it. Regardless of the sociopolitical context and of the predominant orientation of film industry during each one of these decades, large public cinema of the 1990's and 2000's, which were very prosperous decades, used special methods to deal with a whole set of laws and regulations. Success in fighting censorship often rests on special professional conditions: a director with high technical competence, an experienced writer, and a very popular star.

With the inspiring events of the revolution, and the hope to escape censorship, on 22 February 2012, 250 Egyptian filmmakers and intellectuals published a press release claiming the end of censorship in Egypt.

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[1] *Op.cit*, p.160
[2] The Principles are stated in the Decree of the Minister of Culture and Information of 1976.

7.10.5. Transition towards digital cinema management

Although the tendency to digitize cinemas started in 2009 by some major commercial networks, there has apparently been no serious discussion to implement an overall policy. According to Screen Digest estimations, the digital market in Egypt has favorable growth prospects. However, small owners with no capacity to invest in digitization may face the problem of no longer receiving any offers from national and international distributors.

Annex. List of officials and people interviewed in Egypt (January 2012)

1. Dr. Tharwat Mekki, CEO, Egyptian Radio and Television Union (ERTU).
2. General Sami Saïd, First Secretary General of the Egyptian Ministry of Information.
3. Ms. Hanane Mansour, Directror of the Department of Central Statistics, Sector of Broadcasting Engineering, (ERTU).
4. Mr. Amir Raouf, Department of Central Statistics, Sector of Broadcasting Engineering, (ERTU).
5. General Omar Abbas, Advisor to the President of CAPMAS for International Cooperation; Central Agency for Public Mobilization and Statistics.
6. Dr. Khaled Abdel Gelil, President of the national film centre.
7. Mr. Ahmed Raouf El Arabi, Media Coordinator, Ministry of Telecommunications and Information Technology (Smart Village).
8. Mr. Youssef Sherif Rizkalla, President of the Film Agency.
9. M. Ali Abou Shady, President of the City of Arts, City of Arts (Pyramids).
10. Mr. Sherif Abdel Ghaffar, Head of the Technical Office Sector, Egyptian Media Production City, EMPC (6 October).
11. Mr. Samy Khater, Vice-President of the Sector of Investment Services, General Authority for Investment.
12. Ms. Nesrine Ezz Eldin, Head of Statistics Department, General Authority for Investment.
13. Mr. Magdi Ahmed Ali, Director General, National Film Centre (CNC)
14. Mr. Galal Eid, Director general of the production department, National Film Centre (CNC)
15. Ms. Suzanne Radouane, Director General ; Department of National Film Archive, National Film Centre (CNC)
16. Mr. Sherif Mandour, Executive Director of Cairo International Film Festival (CIFF), film director and producer (Film House, Complete Film Solution).
17. Mr. El Sayed Fathi Shakra, Director General; Chamber of Film Industry.

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