



International film co-production in Europe

A European Audiovisual Observatory publication

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1. What is a co-production?

What is a co-production?

- ▶ Production of an audiovisual work by more than one producer.
- ▶ Each co-producer **co-owns the work**.
- ▶ Agreed upon via a co-production **contract**.
- ▶ A co-producer is **NOT** somebody who merely...
 - participates in the financing of the work (without co-owning it);
 - acquires distribution rights through a pre-sales contract.

1. What is a co-production?

What is an official international co-production?

- ▶ **Co-producers come from different countries.**
- ▶ **Based on a bilateral or multilateral co-production agreement.**
- ▶ **The work will be considered “national” in all countries involved and therefore be eligible for public funding in all those countries.**

2. Legal instruments for co-production

International co-production agreements

- ▶ **Most countries have signed bilateral or multilateral agreements with other countries concerning the regulation of international co-productions and the acquisition of “national” status.**
- ▶ **A co-production agreement lists the requirements** (financial, artistic and technical) **for a co-production to be categorised as “national”** (allowing films to receive national public funding).
- ▶ **The co-production must be approved by the authorities representing each signatory to the agreement** (normally ministry of culture or national film agency).

2. Legal instruments for co-production

CoE Convention on Cinematographic Co-production (1)

- ▶ **Governs relations between Parties in the field of multilateral cinematographic co-productions originating in the territory of the Parties.**
- ▶ **Applies to:**
 - co-productions with at least three co-producers, established in three different Parties to the Convention. May include co-producers that are not established in such Parties as long as their contribution does not exceed 30% of the total cost of the production.
 - bilateral co-productions between two Parties to this Convention in the absence of any bilateral agreement.

2. Legal instruments for co-production

CoE Convention on Cinematographic Co-production (2)

- ▶ **Minimum contribution may not be less than 5% and the maximum contribution may not exceed 80% of the total production cost. In bilateral co-productions, the minimum contribution may not be less than 10% and the largest contribution may not exceed 90% of the total production cost.**
- ▶ **When the minimum contribution is less than 20% or the co-production is financial only, the Party concerned may reduce or bar access to national production support schemes.**
- ▶ **Co-production guarantees joint ownership of the film.**
- ▶ **Each party must facilitate the production of the film.**
- ▶ **Each state party must designate a competent authority for applying the Convention.**

2. Legal instruments for co-production

The importance of being European

The EU promotes European works on TV and VoD through the quota provisions of the Audiovisual Media Services Directive.

These foresee:

- ▶ A majority proportion of TV time for European works*;
- ▶ A 10% TV time or alternately, at the discretion of the Member State, at least 10 % of their programming budget, for European independent producers*;
- ▶ The promotion of production of/access to European works on VoD services.

* Excluding the time appointed to news, sports events, games, advertising, teletext services and teleshopping.

2. Legal instruments for co-production

How co-productions qualify as European works

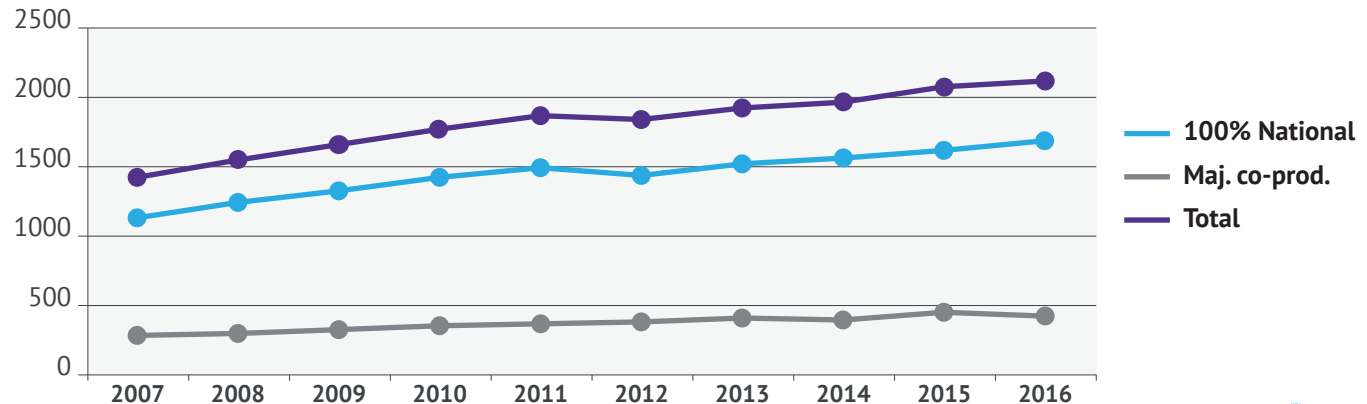
Origin of the work	Conditions concerning the work
EU member state	<p>▶ Mainly made with authors and workers residing in one or more of the States referred to provided that they comply with one of the following three conditions:</p> <ul style="list-style-type: none">• they are made by one or more producers established in one or more of those States;• the production of the works is supervised and actually controlled by one or more producers established in one or more of those States;• the contribution of co-producers of those States to the total coproduction costs is preponderant and the co-production is not controlled by one or more producers established outside those States.
European third States party to the European Convention on Transfrontier Television of the Council of Europe	
Co-produced within the framework of agreements related to the audiovisual sector concluded between the Union and third countries	▶ Fulfill the conditions defined in each of those agreements.
Co-produced within the framework of bilateral co-production agreements concluded between Member States and third countries	<p>▶ Co-producers from the Union supply a majority share of the total cost of production.</p> <p>▶ Production is not controlled by one or more producers established outside the territory of the Member States.</p>

3. Production in Europe

Production in Europe boomed between 2007 and 2016.

- ▶ More than 18 000 films were produced in Europe between 2007 and 2016, with overall production going from 1 422 feature films in 2007 to 2 123 in 2016.

Evolution of production volume in Europe* by type of production (total, 100% national and majority co-production), 2007-2016



* The 28 EU countries plus Bosnia and Herzegovina, Iceland, «The former Yugoslav Republic of Macedonia», Montenegro, Norway, Russia, Switzerland and Turkey.

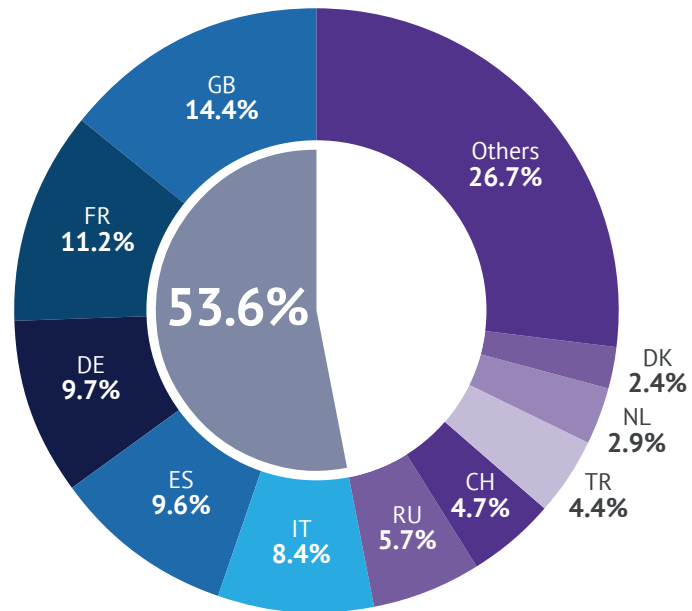
Source: National film centres, OBS

3. Production in Europe

The top five European producing countries accounted for **53.6%** of overall production in Europe.

- ▶ 10 countries **more than doubled** their production volume over the period (RO, BG, LV, BA, TR, LT, SK, SI, FI and MK)
- ▶ Most of the fastest-growing producing countries were located in **Eastern Europe**.

Top European producing countries, 2007-2016
In share of total feature films

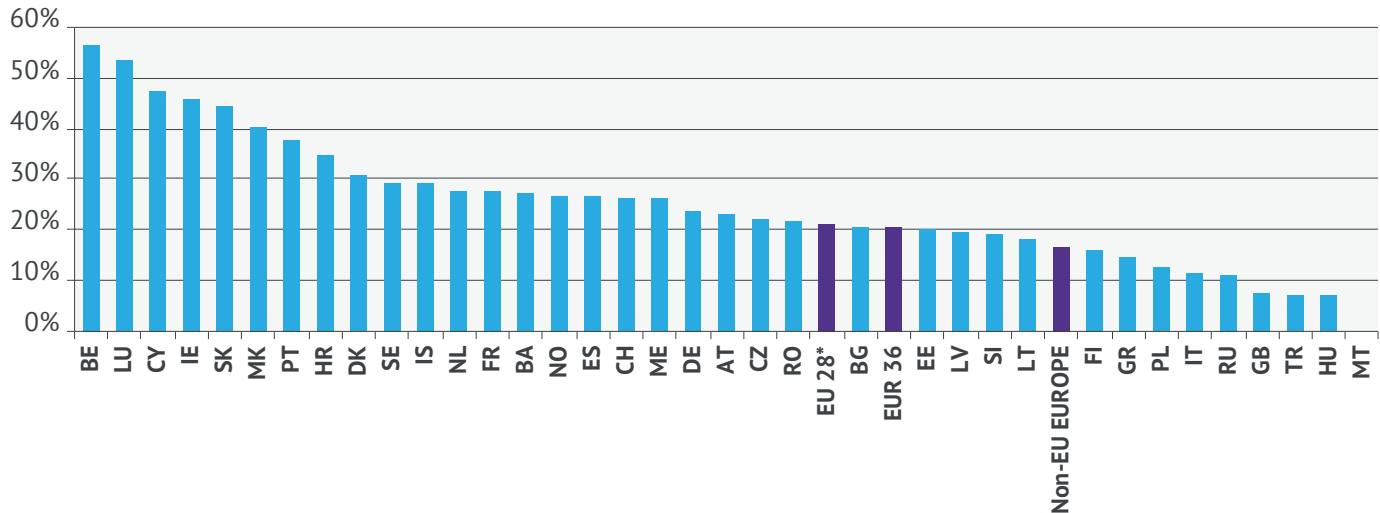


Source: National film centres, OBS

4. Co-production volume in Europe

About **20%** of European productions are international co-productions.

European countries by share of majority co-productions out of the total number of national productions, 2007-2016



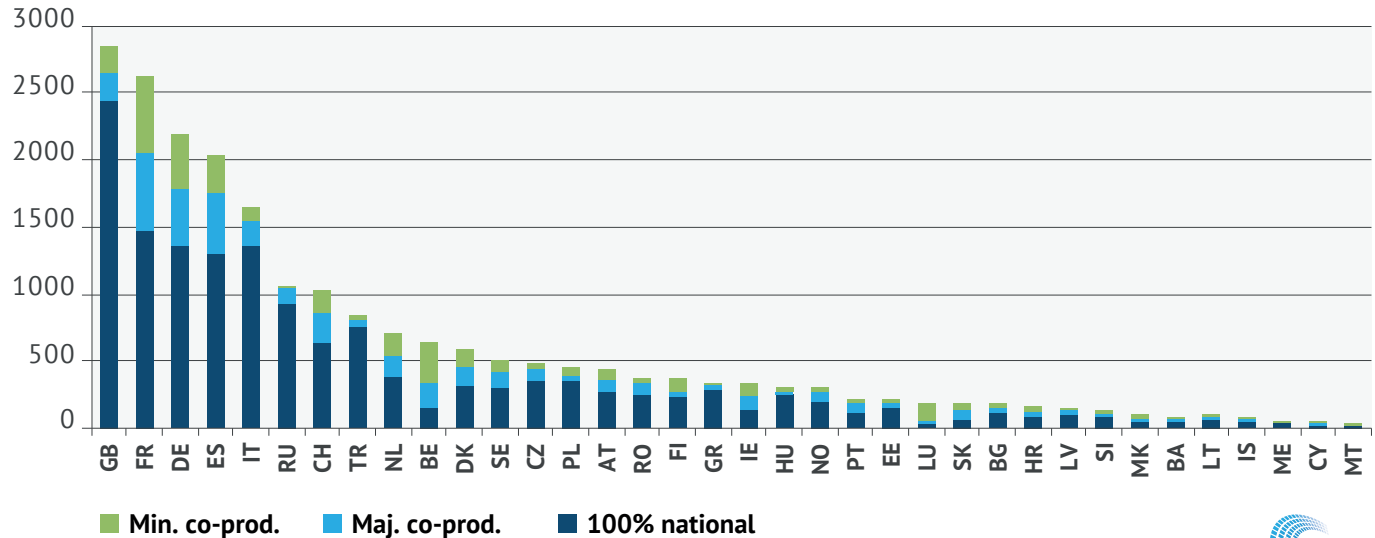
* The 28 EU countries plus Bosnia and Herzegovina, Iceland, «The former Yugoslav Republic of Macedonia», Montenegro, Norway, Russia, Switzerland and Turkey.

Source: National film centres, OBS

4. Co-production volume in Europe

Even share of majority and minority co-productions among main production countries.

European countries by number of productions broken down into fully national, majority and minority co-productions, 2007-2016



Source: National film centres, OBS

4. Co-production volume in Europe

- ▶ There was **more co-production activity in feature fiction** (22% of national productions) **than in feature documentaries** (16%).
- ▶ The **top producing countries** were also the top co-producing countries.

France tops the list with 566 co-productions over the 2007-2016 period, followed by Spain (460), Germany (411) and Switzerland (221).

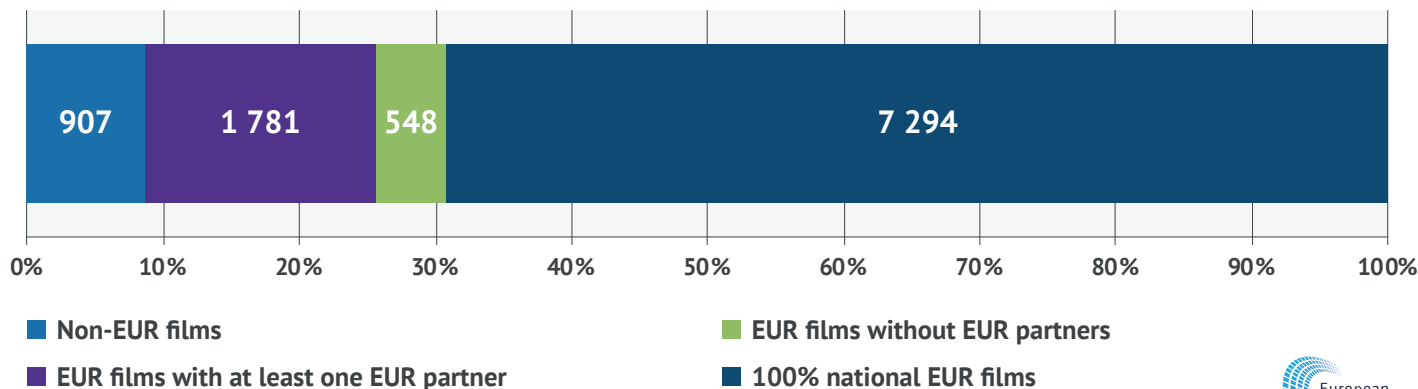
- ▶ Only **11** out of 36 European countries co-produced more than a yearly average of **10 films**.

5. Co-production partners in European films

5 203 bilateral interactions in **3 236 co-productions** with European participation between 2010 and 2015.

- ▶ 2 329 of them were European majority co-productions.
- ▶ They involved 105 countries as majority co-producer and 142 countries as minority co-producer.

Feature films with European involvement, 2010-2015



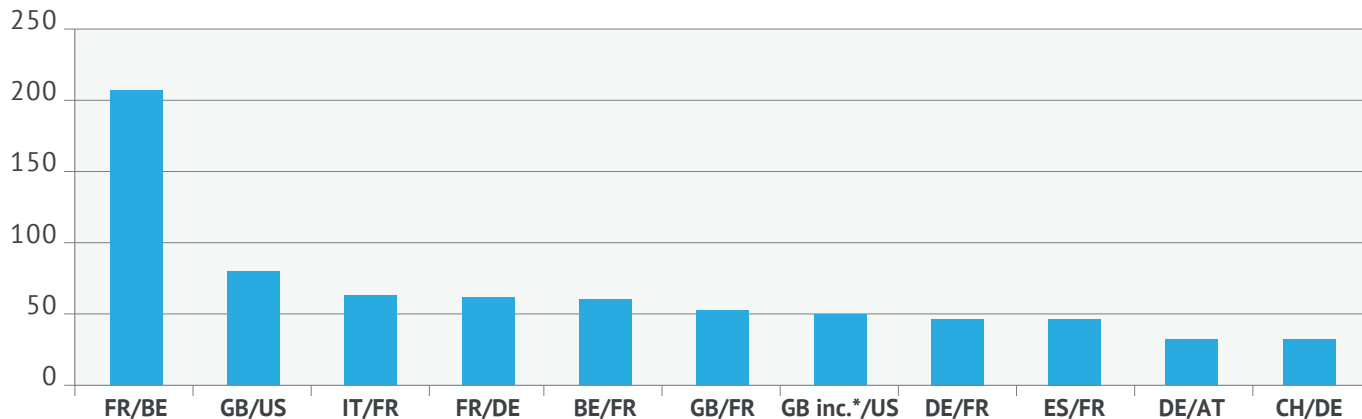
Source: National film centres, OBS

5. Co-production partners in European films

The **Franco-Belgian co-production** was the most frequent (207 between 2010 and 2015).

► France was involved in seven of the top ten most frequent interactions.

Most frequent co-productions with EUR countries as majority co-producer, 2010-2015



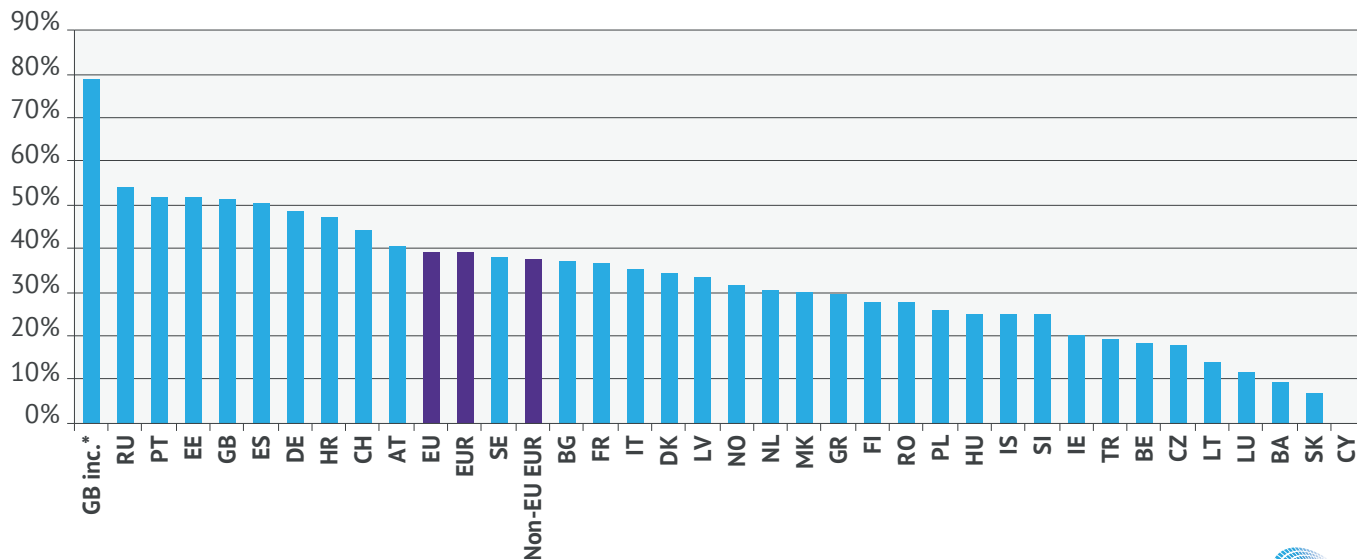
* "inc." stands for incoming investment film, defined as one for which the main producer is a company established in a country but under the ownership and/or control of a company registered in another country.

Source: National film centres, OBS

5. Co-production partners in European films

More than **61%** of the interactions in European majority co-productions were with EU partners.

Share of partners outside the EU (in majority co-productions of the countries listed), 2010-2015



* "inc." stands for incoming investment film, defined as one for which the main producer is a company established in a country but under the ownership and/or control of a company registered in another country.

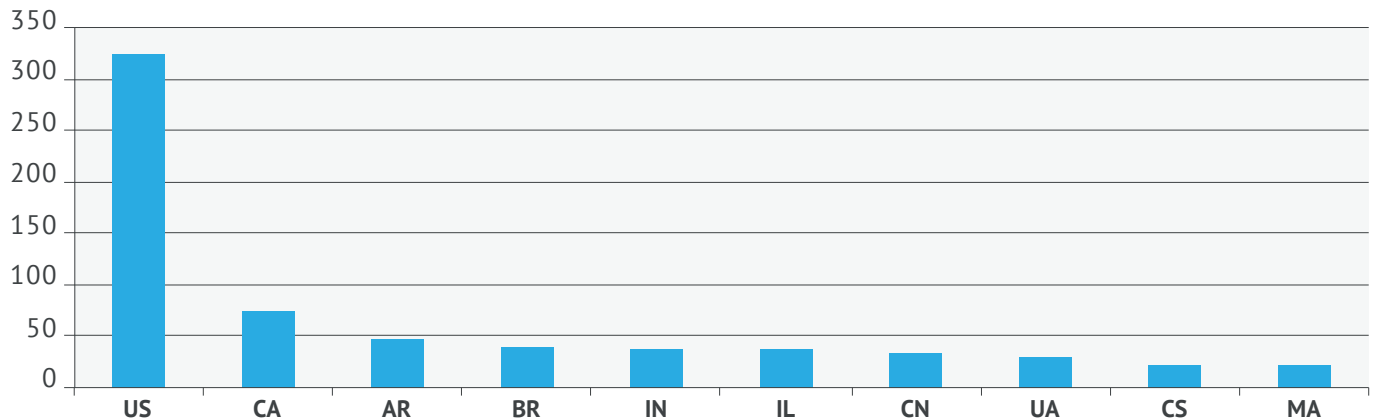
Source: OBS' Lumière Database

5. Co-production partners in European films

The US was by far the **main non-European co-production partner** in European majority co-productions, with almost as many interactions as the other nine countries in the top 10.

Most frequent non-European co-producers of European majority co-productions, 2010-2015

By number of European films in which they were involved

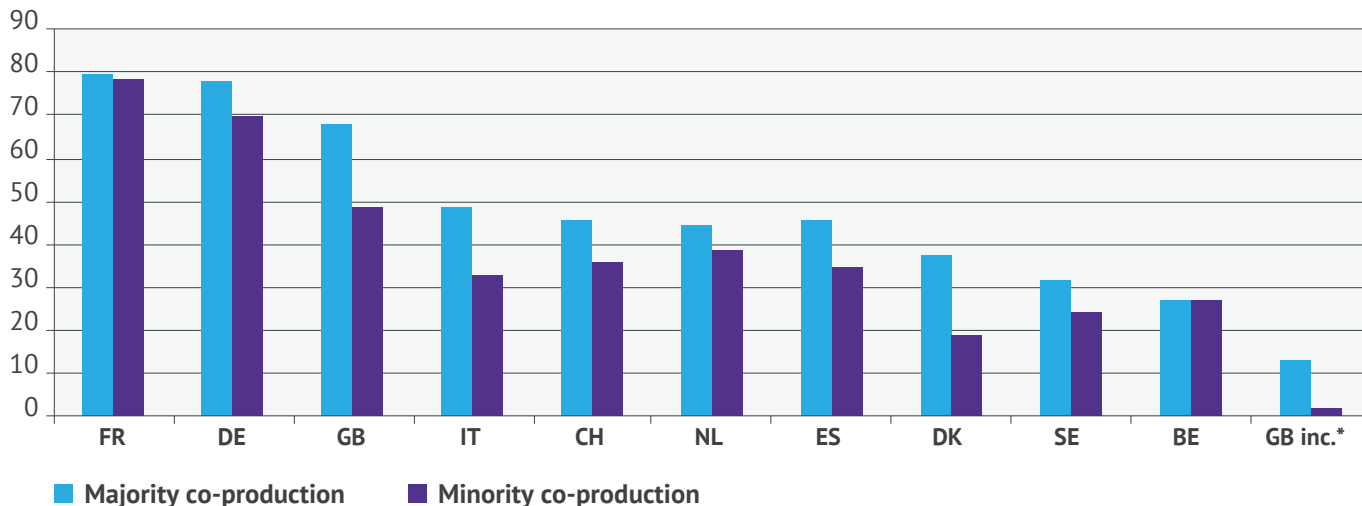


Source: OBS' Lumière Database

5. Co-production partners in European films

Only seven of the countries covered interacted with more than 50 countries.

Number of countries involved in co-productions with the top 10 European co-producing countries as majority or minority co-production partner, 2010-2015



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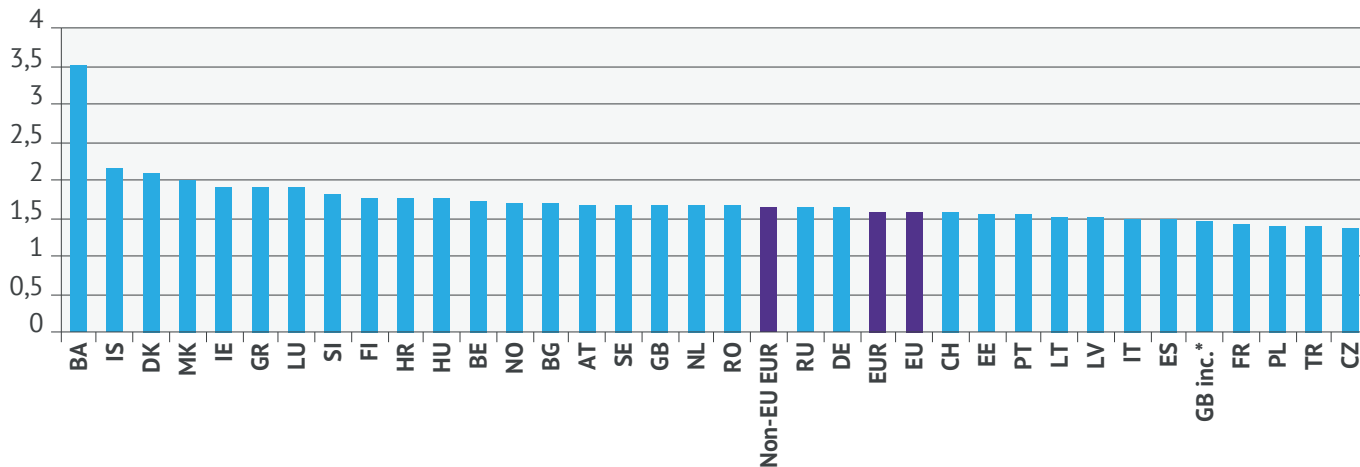
Source: OBS' Lumière Database

5. Co-production partners in European films

European countries co-produced with an average of **1.58 countries** per co-production.

► The most common collaboration was in the form of bi-lateral co-production.

Average number of co-production partners by main country of production, 2010-2015



*"inc." stands for incoming investment film, defined as one for which the main producer is a company established in a country but under the ownership and/or control of a company registered in another country.

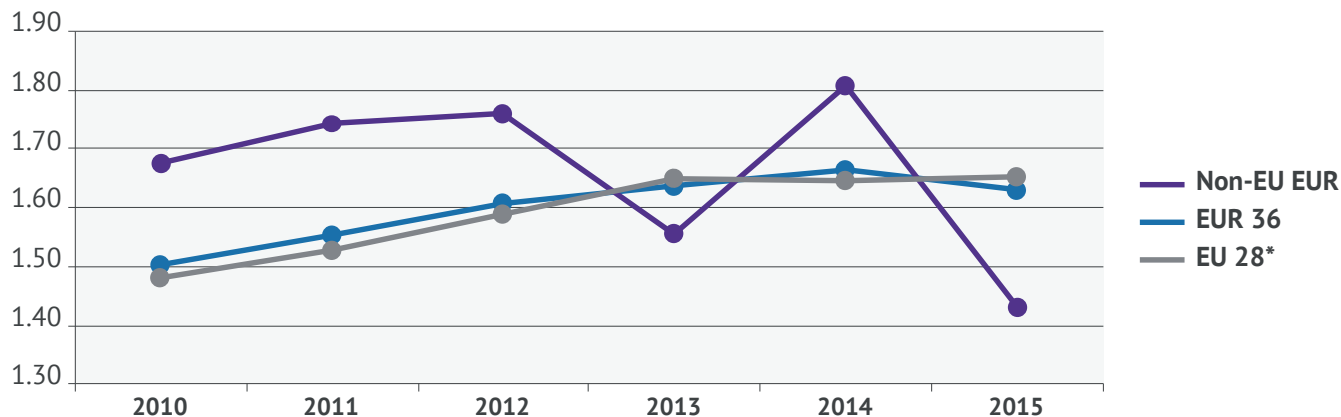
Source: OBS' Lumière Database

5. Co-production partners in European films

The average number of co-production partners **increased** in Europe between 2010 and 2014.

► It decreased in 2015 due to the sharp decrease in partners working with Russia, Turkey and Switzerland.

Evolution of the average number of co-production countries, 2010-2015



* The 28 EU countries plus Bosnia and Herzegovina, Iceland, «The former Yugoslav Republic of Macedonia», Montenegro, Norway, Russia, Switzerland and Turkey.

Source: OBS' Lumière Database

6. Theatrical admissions & circulation of European co-productions

European co-productions circulate almost **twice as much** as purely national productions.

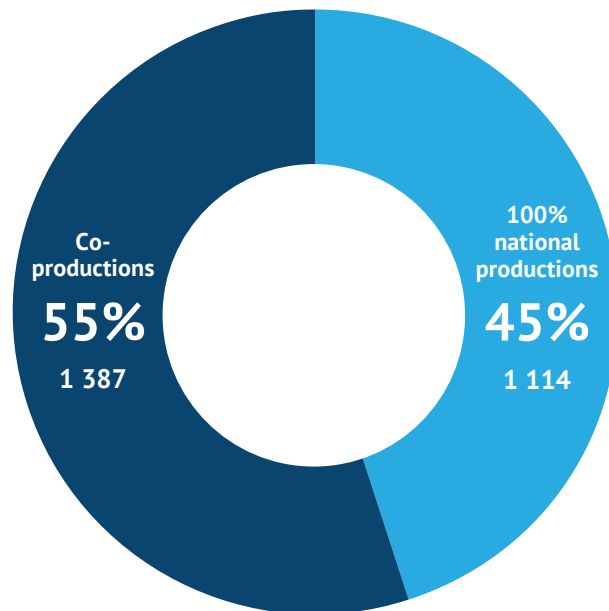
- ▶ A total of 39.5% of the films produced in Europe between 2010 and 2015 received a theatrical release in a country other than the main production country.
- ▶ For majority co-productions, this figure rises to 62.9% over the same period.

6. Theatrical admissions & circulation of European co-productions

Co-productions account for **55%** of EU cinema exports by number of titles within the EU.

- ▶ For smaller film-producing countries, co-productions were essential for intra-EU film exports.
- ▶ The share of intra-EU film exports for co-productions was larger than the co-production share of overall film productions.

Share of co-productions and 100% national productions out of 2 501 EU non-national films*
In % of total and units



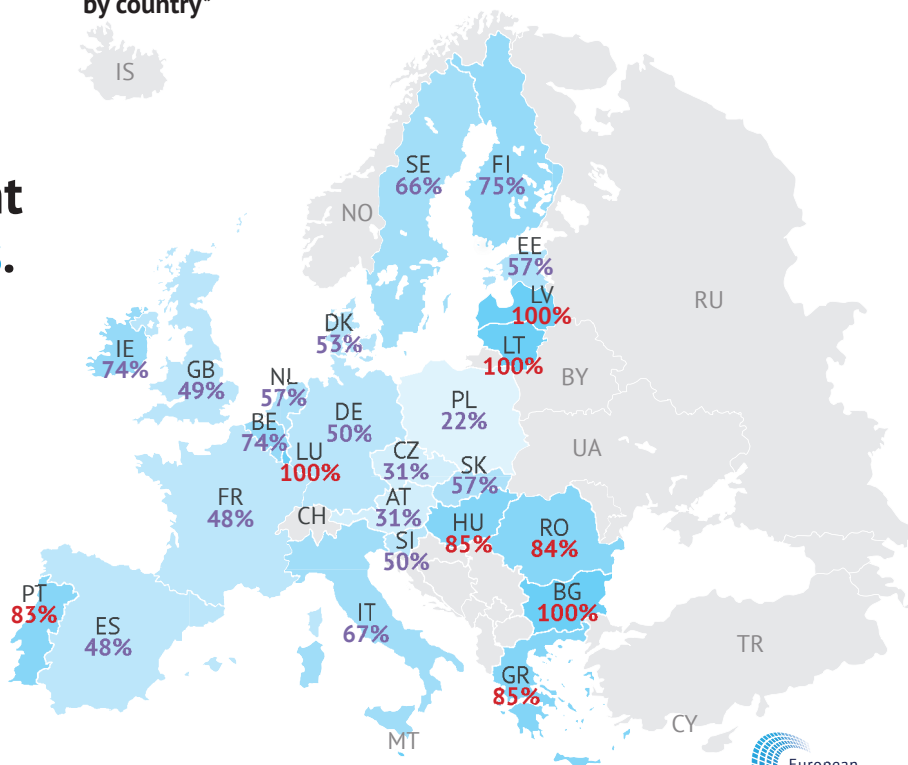
* First releases in cinemas in 25 EU countries (EU minus Croatia, Ireland and Malta) in 2015

Source: OBS' Lumière Database

6. Theatrical admissions & circulation of European co-productions

In smaller countries
co-productions account
for **most or all exports**.

Theatrical - Co-productions share of total film exports within the EU
by country*



* First releases in cinemas in 25 EU countries (EU minus Croatia, Ireland and Malta) in 2015.

Source: OBS' Lumière Database

6. Theatrical admissions & circulation of European co-productions

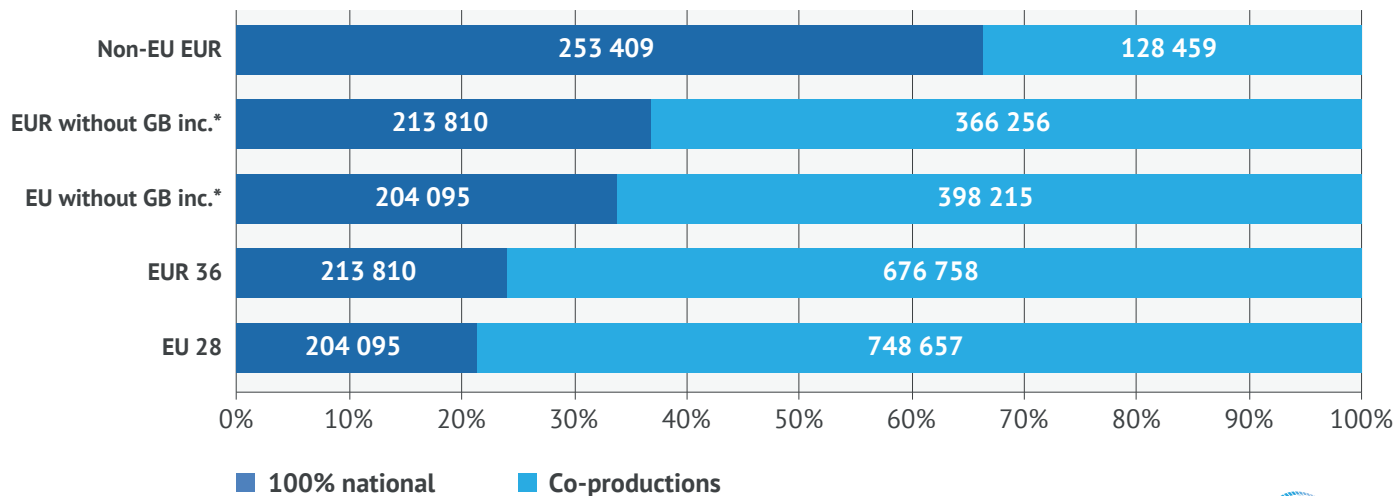
European majority co-productions generate on average **3 times more admissions** than purely national films.

- ▶ European majority co-productions account for only **24.2%** of the total production volume over the period 2010-2015.
- ▶ Admissions to co-productions were higher than those for purely national films, amounting to a yearly average of **262.9 million admissions** over the period 2010-2015, i.e. **50.3%** of overall admissions to European films.

6. Theatrical admissions & circulation of European co-productions

GB inc.* films excluded, European co-productions generate on average just 1.6 times more admissions than purely national films.

Average admissions to purely national films and co-productions in selected territories, 2010-2015



* "inc." stands for incoming investment film, defined as one for which the main producer is a company established in a country but under the ownership and/or control of a company registered in another country.

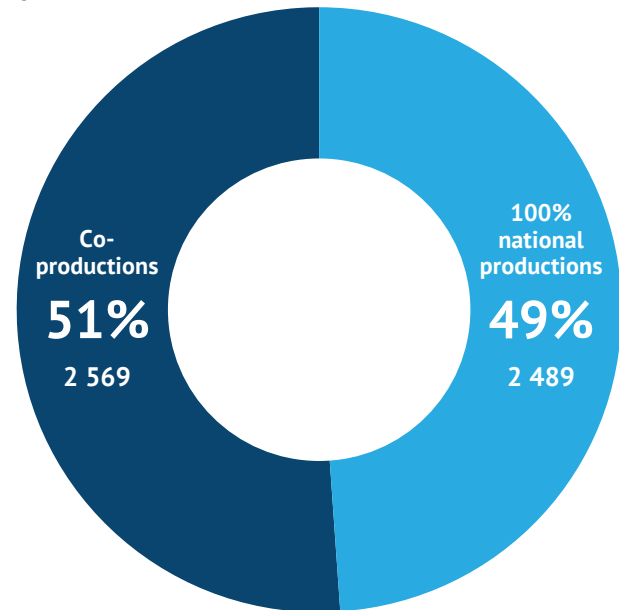
Source: OBS' Lumière Database

7. Circulation of European co-productions on TV

51% of all EU non-national films on TV were co-productions.

- ▶ For several countries (LT, LU, MT, SI, PT, RO, IE, SK, FI, HU) co-productions represented **more than 75%** of their film exports on TV.
- ▶ Only for LV, DE, PL, NL and CY did co-productions represent **less than 1/3** of exports on TV.

TV - Share of co-productions and 100% national productions out of 5 058 EU non-national films*
In % of total and units



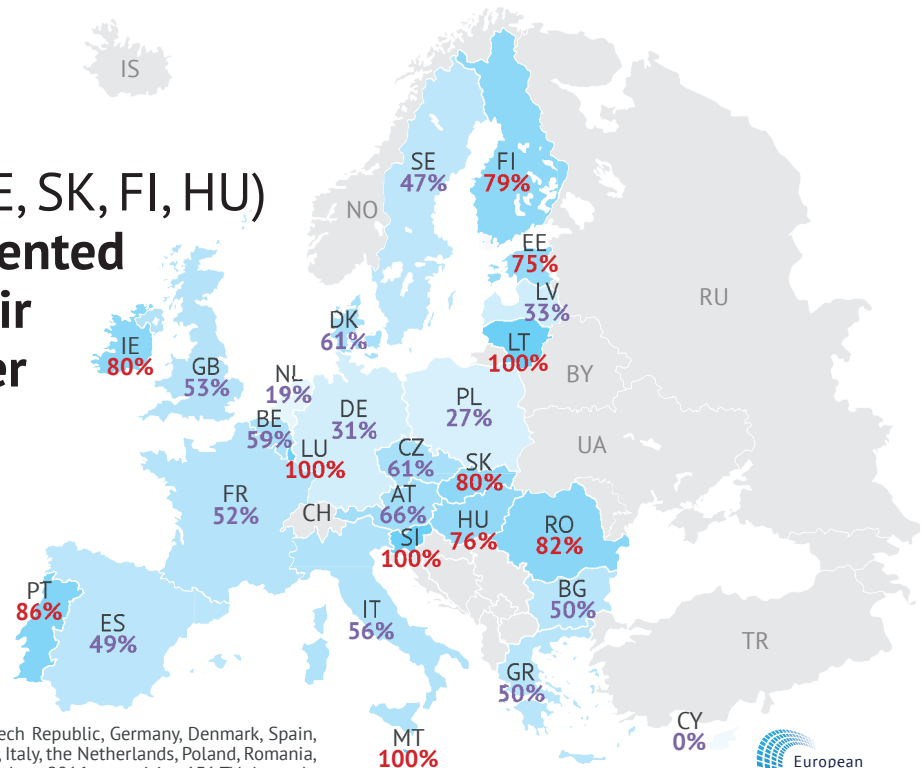
* Films broadcast in 18 EU countries (Austria, Belgium, the Czech Republic, Germany, Denmark, Spain, Finland, France, the United Kingdom, Croatia, Hungary, Ireland, Italy, the Netherlands, Poland, Romania, Slovenia and Sweden) during the TV season September 2015 to June 2016, comprising 131 TV channels (public, commercial and pay TV).

Source: Eurodata TV

7. Circulation of European co-productions on TV

TV – Co-productions share of film exports within the EU by country*

For several countries (LT, LU, MT, SI, PT, RO, IE, SK, FI, HU) co-productions represented **more than 75%** of their film exports by number of titles to the EU.



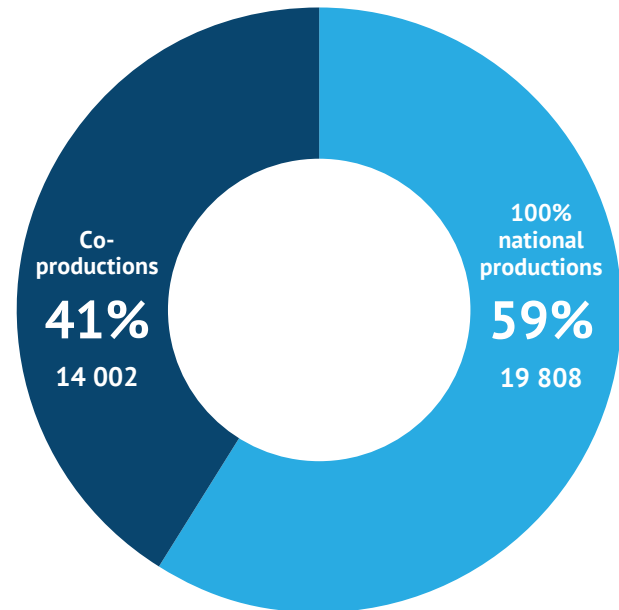
* Films broadcast in 18 EU countries (Austria, Belgium, the Czech Republic, Germany, Denmark, Spain, Finland, France, the United Kingdom, Croatia, Hungary, Ireland, Italy, the Netherlands, Poland, Romania, Slovenia and Sweden) during the TV season September 2015 to June 2016, comprising 131 TV channels (public, commercial and pay TV)

8. Circulation of European co-productions on TVOD

41% of all EU non-national films on TVOD were co-productions.

- ▶ The large 100% national film share could be explained by several big budget theatrical successes produced in the UK and France.
- ▶ Co-productions were overrepresented among the film exports of almost every country relative to their average co-production volume.

TVOD - Share of co-productions and 100% national productions out of 33 810 EU non-national films*
In % of total and units



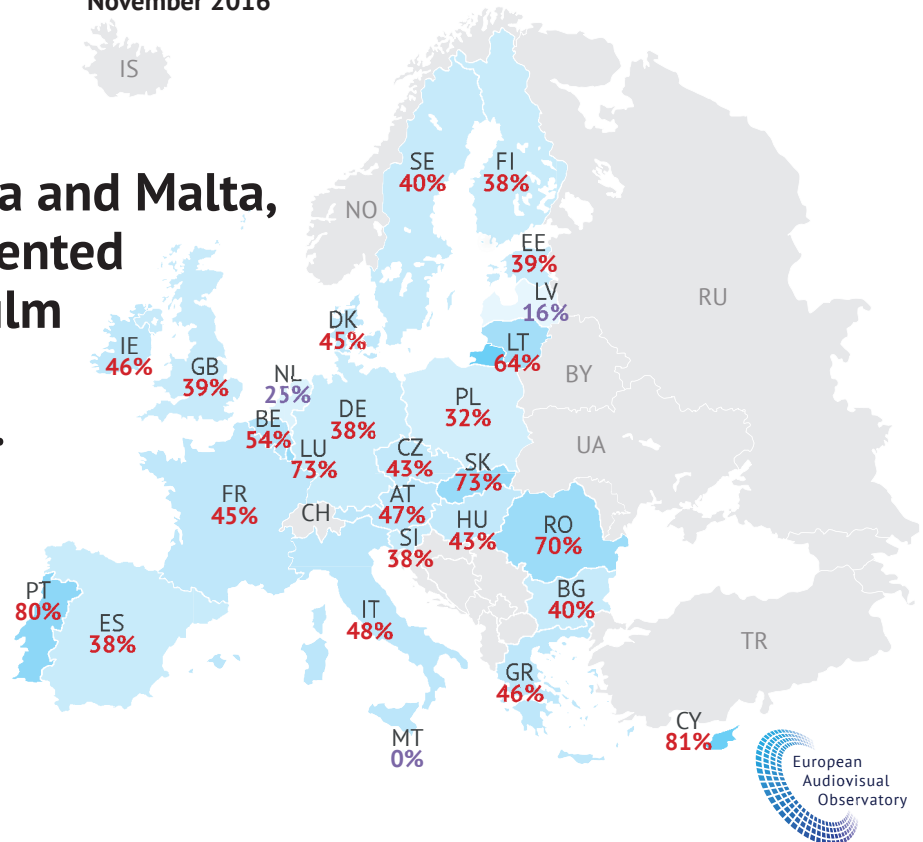
* Films available in 68 TVOD catalogues in October-November 2016 in 26 EU countries (EU minus Croatia and Romania) including pan-European and national TVOD services.

Source: OBS

8. Circulation of European co-productions on TVOD

TVOD – Co-productions share of film exports by country - October-November 2016

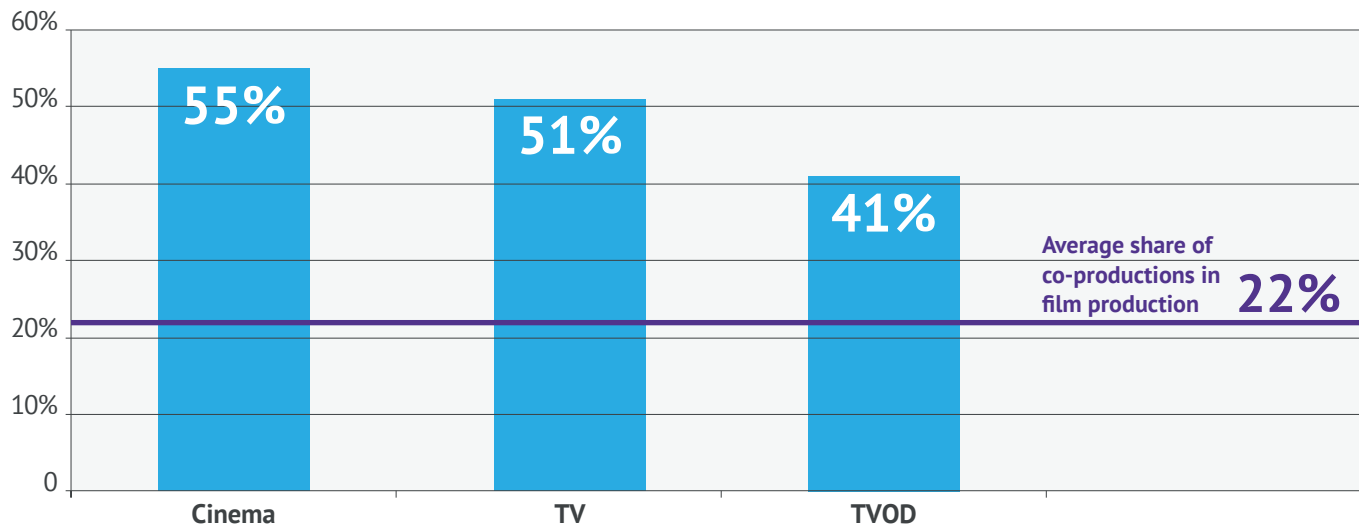
Except in the case of the Netherlands, Latvia and Malta, co-productions represented **more than 1/3** of EU film exports by number of titles for each country.



9. Circulation of European co-productions: summary

Co-productions circulated **above average** in all three windows analysed.

Share of co-productions among EU exports within the EU by distribution window in % of total*



* For the scope of the sample see the corresponding slides for each of the windows.

Sources: OBS, OBS' Lumière Database and Eurodata TV

www.obs.coe.int
info@obs.coe.int

