EFARN RESEARCH HIGHLIGHTS 2018

A SELECTION OF RESEARCH
BY EUROPEAN FILM AGENCIES

EFARN

European Audiovisual Observatory

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The **European Film Agencies Research Network (EFARN)** brings together researchers actively involved in the collection, analysis and publication of data on the European film industry. These researchers represent a total of 46 different bodies, principally film agencies but also a number of other organisations active in this domain.

The EFARN is an informal network with two main purposes: working towards improving the availability and harmonisation of data on a pan-European level, and launching common research projects. A general meeting is hosted every year by one of the members.

The European Audiovisual Observatory has been in charge of the Secretariat of the EFARN since the launch of the network. It is responsible for the organisation of the annual meeting, drafts the methodological documents produced by the members and coordinates the common research projects.

On the occasion of the EFARN's 15th anniversary, the **EFARN Research Highlights** present a selection of studies from its members, providing at a glance, an overview of current research topics ranging from VOD to gender statistics.

The publication of this booklet is complemented by the launch of the **EFARN Research Library** (https://filmresearch.eu), a common portal allowing access to all the research reports from the EFARN members.

We hope that both the EFARN Research Highlights and the Library will be of use to the whole film research community, contributing to the dissemination of relevant studies and publications.

Martin Kanzler
Secretariat of the EFARN
Film Industry Analyst
European Audiovisual Observatory

Gilles Fontaine
Head of Department for Markets Information
European Audiovisual Observatory

1

GENERAL FACTS AND FIGURES

- AUSTRIAN FILM INSTITUTE
- NEVAFILM RESEARCH
- NETHERLANDS FILM FUND

••• AUSTRIAN FILM INSTITUTE

AUSTRIAN FILM INDUSTRY REPORT 2017

The film industry

The film industry comprises the areas of film production (commissioned and independent productions), cinemas, post-production and miscellaneous film technology, film distribution and video rental. Since 2008 detailed statistics information can be provided due to the cooperation with Statistik Austria and their performance and structure.
In 2017 the film industry generated a production value of EUR 1 474.2 million: 73.4% in the field of production of cinema and TV films, approximately 5.5% in the area of film distribution. The audiovisual industry comprises 2 251 companies and employed 7 915 people in 2017.

Cinema

In 2017 there were 139 cinemas with 562 screens and 94 100 seats. With 14.6 million admissions (source: comScore) the level of cinema attendance was lower than in 2016 (-3.5%). In turn, the number of films shown in cinemas (466) continued to increase compared to the previous year (2016: 457, 2015: 431).
A total of 414 new films were released in 2017, 137 of those were of US origin and 64 were from Germany. Including co-productions, 53 Austrian films were shown on screen during the same year. The market share of Austrian films within the country reached 5.7%, an increase compared to 2016 (4.9%) and 2015 (5.3%). The most successful Austrian production in 2017, with 265 000 tickets sold, was the comedy *Wilde Maus* (*Wild Mouse*), followed by new talent film *Die beste aller Welten* (*The Best of All Worlds*) with 78 000 admissions.
36 Austrian films were released in 36 countries; altogether they accounted for 95 cinema releases and a total of 1.8 million admissions. The most successful Austrian film abroad was the coproduction *Happy End* directed by Michael Haneke, generating 360 000 admissions in 14 different countries.

Blu-Ray and DVD

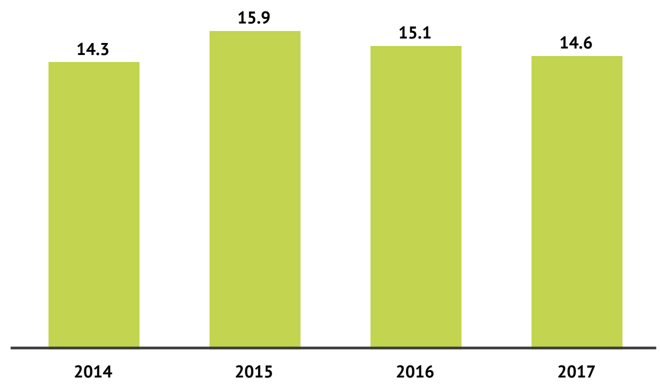
DVD sales figures have been dropping for years. In 2010, 13.1 million copies were sold, representing a value of 167.1 million. In 2017 this had fallen to 5.2 million DVDs sold in Austria (worth EUR 62.8 million). Blu-Ray sales decreased to 2.2 million in 2017, compared to 2.5 million in the previous year. The turnover dropped from EUR 39.2 million to EUR 32.9 million.
Netflix has been available in Austria since 2014, scoring a reach of approximately 29%, compared to 44% of Amazon Prime.

Festivals and awards

In 2017 there were 491 festival participations. The leaders for participation in festivals were the documentaries *Untitled* by Monika Willi and Michael Glawogger with 55 participations and Ulrich Seidl's *Safari* with 37 participations. Two films won prizes at A-list Festivals: *Die beste aller Welten* (*The Best of All Worlds*) by Adrian Goiginger (Berlin, Moskau) and *Atelier de Conversation* by Bernhard Braunstein (Karlovy Vary).

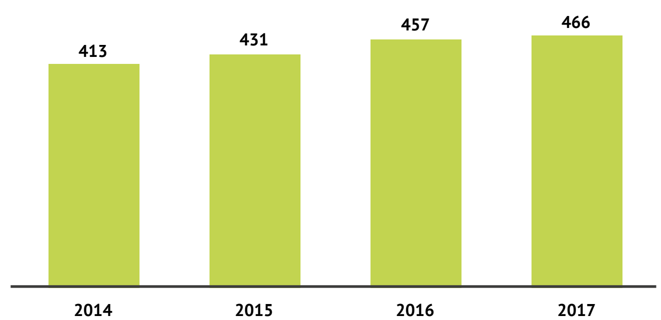
••• THEATRICAL ADMISSIONS IN AUSTRIA (2014-2017)

(in million)



Source: Austria Film Institute

••• FILMS ON RELEASE IN AUSTRIA (2014-2017)



Source: Austria Film Institute

••• AUSTRIAN FILM INSTITUTE AT

Funding and financing

In Austria, 19 institutions provide film funding, five on a national level and 14 in the federal states.

The Federal Chancellery's film department (Department II/3 Film) supports innovative projects and also specifically targets funding for talented young filmmakers. Also part of the film department's responsibilities is the film's cultural heritage.

The Austrian Film Institute, an institution under public law (Film Funding Act), provides funding on the basis of economic and cultural criteria. It supports story development, project development, production and exploitation of full-length Austrian films for theatrical release and co-productions as well as activities that improve the international orientation of Austrian film production.

The Film Industry Support Austria program has aided the making of domestic productions and co-productions for cinema since 2010. In 2014, its guidelines were adapted for service productions and it was accredited by the European Commission, and the Filmstandortgesetz (Filmlocation Act) came into effect.

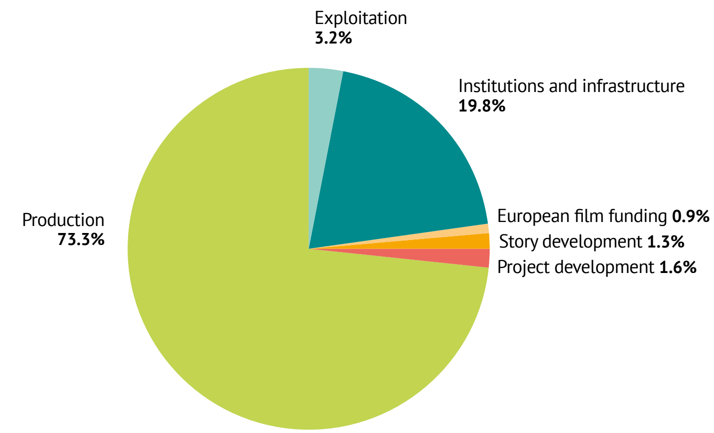
On the basis the Film/Television Agreement, an agreement between the Austrian Film Institute and the Austrian Broadcasting Corporation, funds are made available for the production of cinema films, including projects that are particularly innovative and implemented by new talent. Television productions have been supported by the Fernsehfonds Austria since 2004.

On the regional level in each of the nine federal states, film subsidies are granted through the state government's culture department. In two states the trade departments also provide funding, primarily for the production of cinema and TV films. Some of the states are home to specialised institutions, as for example the Vienna Film Fund, Austria's largest regional subsidy provider.

The percentages of expenditures by the national and regional (subnational) subsidy providers have remained nearly stable for years: over two-thirds of disbursements are made by the national subsidy providers, while approximately one-third was from regional subsidy providers. In 2017, subsidy providers reported disbursements totalling EUR 74.7 million, which represents an increase of 2.9% compared to 2016 (EUR 72.6 million). The various individual areas in the Film Industry Report are organised as core areas of defined categories: story and project development, production and exploitation (most importantly, this latter takes into consideration theatrical releases and festival participations of individual films). The other activities are specified under "Institutions and infrastructure".

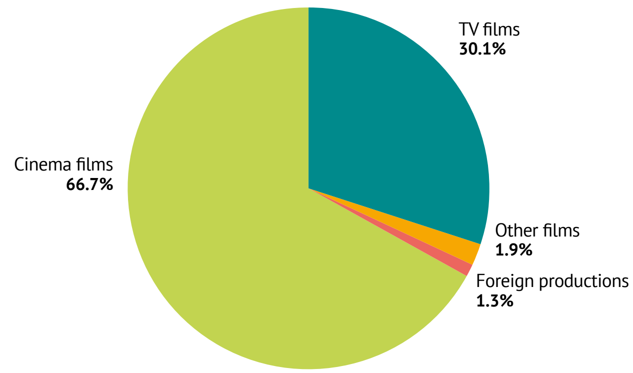
The largest funding area is production, which represented 73.3% of 2017 funding expenditures. In the year covered by the report, EUR 54.7 million were disbursed. In all, the subsidy providers for which detailed information concerning production is available reported disbursing funds for 498 films. 75 cinema productions and 92 TV films received funds for the first time. The second largest funding area is institutions and infrastructure, accounting for nearly 20% of all expenditures. Most importantly, this funding went to annual subsidies for cultural institutions, e.g. the Filmarchiv Austria and the Austrian Film Museum.

••• BREAKDOWN OF FILM FUNDING EXPENDITURE IN AUSTRIA (2017)



Source: Austria Film Institute

••• BREAKDOWN OF FILM PRODUCTION FUNDING IN AUSTRIA (2017)



Source: Austria Film Institute

••• NEVAFILM RESEARCH RU

RUSSIAN CINEMA MARKET 2017: MAIN RESEARCH RESULTS

A record market growth

By the end of 2017, Russia was the largest market in Europe in terms of number of viewers; the country took 6th place worldwide, but ranked 10th in terms of box office takings due to a weak rouble. Admissions and box office receipts in Russia broke all records in the country's recent history, amounting to 212.6 million viewers and RUB 53.4 billion (not including creative content and regional films). In cities which have a cinema, each inhabitant visited 2.5 times, and at national level, each person watched the equivalent of 1.6 films per year in a cinema.

There was also a record number of films released, with the number of new releases reaching the 2013–2014 peak level, when entry threshold into the industry dropped sharply after the transition to digital exhibition.

The cinema chain developing in market conditions is growing at the same level as in 2015 (+5% of screens). The additional number is a result of grants from the Cinema Fund; by the middle of 2018, 456 cinema screens that received state support (out of 811) have already been opened.

Preferences for Russian films and their success

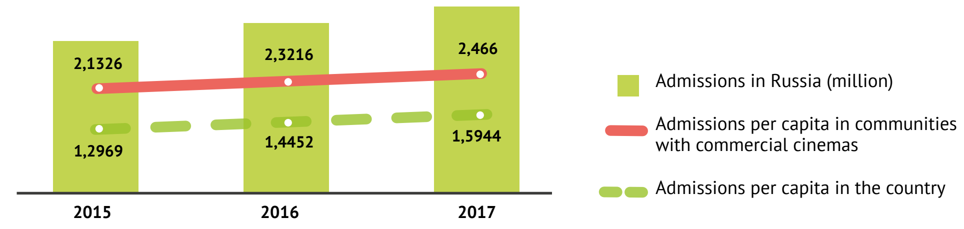
National filmmakers are seeing record levels of success in 2017–2018: last year in the CIS countries, they gathered 56 million viewers and 13.4 billion roubles at the box office. The share of visits was 23%, and box office takings, 24%. According to the magazine *Russian Film Business Today*, the share of viewers for Russian films reached 38% in the first half of 2018 (for the first half of 2017, this figure was 19%).

National films enjoy more screenings than in 2015–2016, but more and more viewers are coming to each screening; that is, the success for Russian producers was not only the result of a more favourable picture, but also of their appeal to the audience. However, competition with American films remains strong: the number of screenings of such films is decreasing, but they are no less effective in attracting audiences.

Methods of non-market regulation for films being released are becoming more standard practice in Russia, thus creating more favourable conditions for national cinema; the changes to release dates and delays in issuing distribution licenses have become increasingly noticeable and significantly destabilise the market. The effectiveness of moving the release dates of films in order to help Russian films is controversial, and cases where a distribution license has been denied or withdrawn are in fact an open form of censorship, which is banned in the Constitution of the Russian Federation.

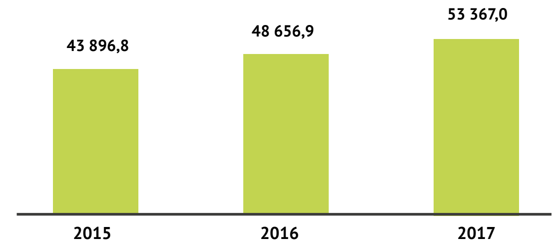
There is also pressure on foreign producers with regard to overstating the age ratings on their films; in 2017, 38% of foreign films were given an 18+ rating, compared to 16% of Russian films. The rating influences not only the viewer's decision to go and see the film (and whether or not to take children), but also on the film's reach: on average, films with a 6+ rating are released in 70% of cinemas, compared to just 32% of cinemas for films with an 18+ rating. At the same time, the major studios showing foreign films, mostly with a 16+ ratings, are those with the maximum of screenings.

••• ADMISSIONS AND LEVEL OF CINEMA CONSUMPTION IN RUSSIA (2015-2017)



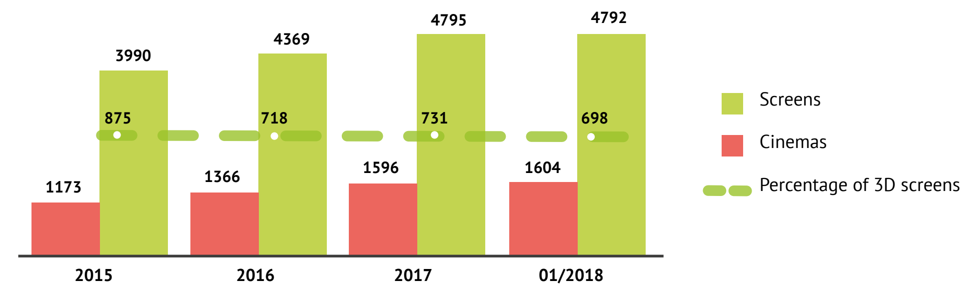
Sources: Russian Film Business Today, Booker's Bulletin, Russian Cinema Fund's Analytics, comScore, Nevafilm Research

••• BOX OFFICE RECEIPTS IN RUSSIA (2015-2017) (in RUB million)



Sources: Russian Film Business Today, Booker's Bulletin, Russian Cinema Fund's Analytics, comScore, Nevafilm Research

••• COMMERCIAL CINEMAS IN RUSSIA (2015-2018)



Source: Nevafilm Research

••• NEVAFILM RESEARCH RU

Crisis of independent cinema

In the Russian distribution landscape, the crisis continues for independent cinema. In 2017, independent distributors released 250 films (corresponding to 62% of all new films on screens) and collected just 7% of box office takings and admissions (in 2015, 11%, and in 2016, only 5%). At the same time, the receipts per independent films fell by 36% to the 2015 level. This decline occurs against the background of a reduction in the number of cinemas showing each individual film, which is evidence that cinemas are diversifying their repertoire as they try to stand out from the competition. However, it seems that cinemas are risk-averse and rely on proven genres and names; most screenings are still given to major films across all sites.

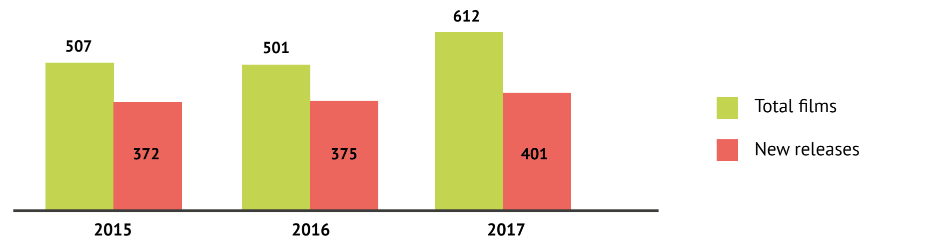
Russian producers reduce the diversity of their repertoire; their products become homogenised and made to satisfy the needs of the mass audience. Thus, more blockbusters, comedies, youth and family films are released each year, and fewer "serious" and art films. Undoubtedly, the goals and objectives of the Cinema Fund that support commercial projects are a contributing factor in this.

A crisis is also emerging in the sphere of creative content; the number of programmes released remains at the 2016–2017 level, but their genres are changing significantly. The number of live broadcasts and operas is decreasing, and they are being replaced by screenings of old films and documentaries. The number of short programmes is also decreasing, with the exception of animation programmes, for which competition is growing. This market segment declined by 15% over the year, and its share in the overall film distribution in Russia is half that of other countries.

Commercialisation affects regional filmmakers as well; in 2017, they released less dramas and action films, and more comedies, youth and family films. At the same time, the refusal of cinema chains to bet on risky independent projects extends to regional films; only one appeared among the wide range of films released in Russia, and the fall in admissions and box office receipts in the segment doubled. Even for market leader Yakutia, the number of films on release and first releases decreased.

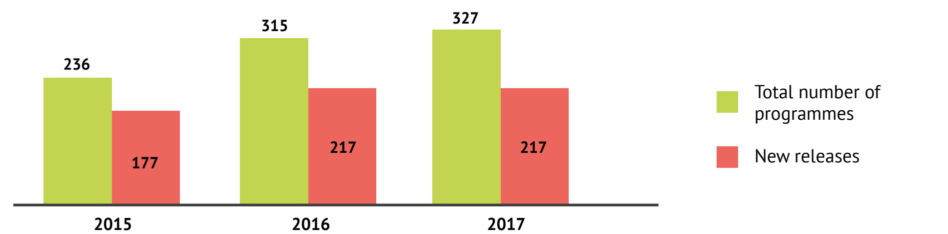
The suggested methods for developing regional cinematography at both federal and local level are developed in isolation from real world experience, so they do not lead to a real increase in local film production or improve its quality. According to the Cinema Fund there are 11 operating film commissions in Russia and 4 regions that issue rebates in Russia. However, only 6 films commissions have an active website (http://filminsiberia.ru/, http://primoryefilm.ru/, https://www.cinema39.ru/, http://kinokomissiya-no.ru, http://filmmoscow.ru/, https://ulkul.ru/news/culture/kinokomissiya-ulyanovskoy-oblasti.html) while information is available on the Internet for 3 current schemes of fiscal incentives (in the Kaliningrad and Ulyanovsk regions and the Primorsky krai).

••• NUMBER OF NEW RELEASES AND FILMS IN RUSSIA DISTRIBUTION (2015-2017)



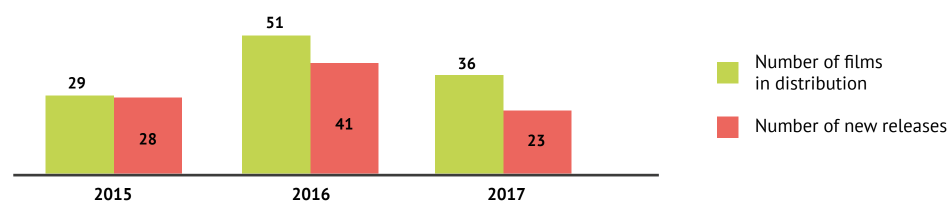
Sources: Russian Film Business Today, Booker's Bulletin, Russian Cinema Fund's Analytics, comScore, Nevafilm Research

••• CREATIVE CONTENT RELEASED IN RUSSIA (2015-2017)



Sources: Russian Film Business Today, Booker's Bulletin, Russian Cinema Fund's Analytics, comScore, Nevafilm Research

••• NUMBER OF REGIONAL FILMS RELEASED IN RUSSIA (2015-2017)



Sources: Russian Film Business Today, Booker's Bulletin, Russian Cinema Fund's Analytics, comScore, Nevafilm Research

••• NETHERLANDS FILM FUND NL

NETHERLANDS FILM FACTS AND FIGURES 2017

Every year the Netherlands Film Fund conducts a research into the size and developments of the Netherlands film and audiovisual sector. The calendar year is reviewed with key figures and a quantitative overview is provided of production & financing, theatrical releases, international performance and festivals, distribution, exhibition, home entertainment and television.

Year 2017 in review

The Netherlands showed growing total numbers of cinema attendees both overall and for Dutch films. After reaching a cinema visitor share of 12.4% the previous year, the Dutch share dropped to 12% in 2017, due to the lack of Dutch blockbuster films and strong competition. The overall market share of European films dropped from 23.9% to 21.4% to the advantage of US product that increased by 1% to 75.4%.

Production

On the production end, the Dutch cinema and audiovisual market showed continuous signs of vibrancy and high production activity. The total production volume reached EUR 108.3 million (2016: EUR 105.9 million). Foreign financing for majority Dutch features increased from EUR 8.1 million in 2016 to EUR 19.4 million in 2017. The Film Production Incentive that opened up to a high-end TV series pilot in 2017 showed another boost, granting a cash rebate to a total of 68 film projects and 11 series for a total of EUR 22.4 million in 2017. The increasingly internationally oriented Dutch market also experiences rapid changes, dominated by large international players that pressure traditional players.

Film releases

A total of 54 Dutch feature films (including minority co-productions) were released in 2017, slightly less compared to 2016 (57 releases). Registered production costs of the 38 Dutch majority films averaged EUR 1.95 million, which is a slight increase compared to 2016 (EUR 1.67 million, 37 Dutch majority releases). On average, these features reached an audience of 88 070, which is far less than in 2016 (122 795) due to a lack of a Dutch crowd-pleaser in 2017.

International festivals

Once again, Dutch films were successful internationally, winning 152 different prizes at festivals and getting selected at 1 407 festivals including Rotterdam, Berlin, Cannes, San Sebastian, Locarno, Toronto, Venice, IDFA, Tribeca and Sundance.

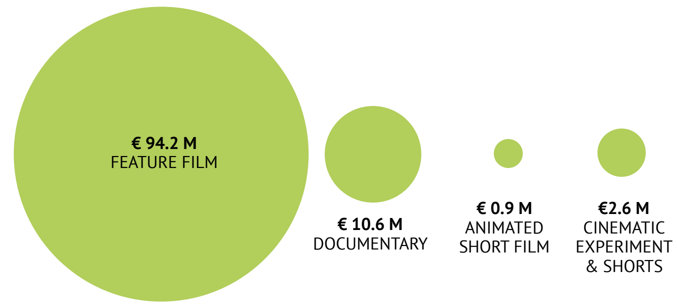
Exhibition

Dutch cinemas enabled audiences to watch films on 956 screens. The number of cinemas in the Netherlands remains quite stable, reaching 274. The 108 Dutch arthouses continue to attract 7.1% of the box office share (2016: 7.4%).

••• FILM SECTOR: SIZE OF REVENUES, PRODUCTION, DISTRIBUTION AND EXHIBITION IN THE NETHERLANDS (2017)

DUTCH FILM PRODUCTION

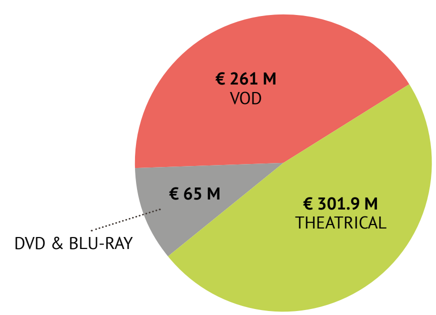
Total € 108.3 million



Source: Netherlands Film Fund

FILM REVENUES

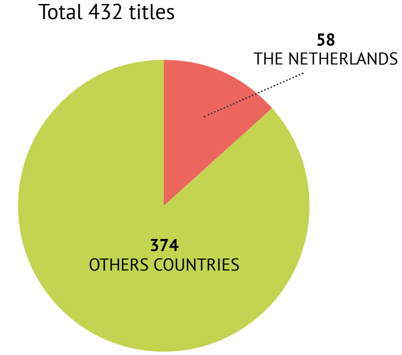
Total € 628 million



Source: Netherlands Film Fund

NUMBER OF THEATRICALLY RELEASED TITLES

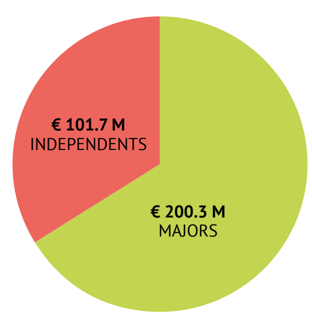
Total 432 titles



Source: Netherlands Film Fund

BOX OFFICE DISTRIBUTORS

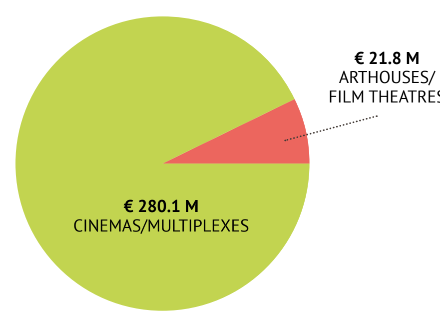
Total € 301.9 million



Source: Netherlands Film Fund

BOX OFFICE EXHIBITORS

Total € 301.9 million



Source: Netherlands Film Fund

NL

••• NETHERLANDS FILM FUND

Revenues

Although total revenues in the Dutch market have increased from EUR 579 million in 2016 to EUR 628 million in 2017, most of the growth and respective revenues flow to the three foreign owned cinema chains and to the foreign dominated SVOD market players.

Funding

The Netherlands Film Fund supported films and activities for EUR 54.5 million in 2017. Support from the Netherlands Film Fund is available for the development, production and distribution of feature films, documentaries, animation, experimental films and shorts. In 2017, out of 1 306 applications for support, 680 were approved for funding. A total of 79 projects were granted EUR 22.4 million in cash rebates as part of the Netherlands Film Production Incentive

Find the full *Film Facts & Figures of the Netherlands* (May 2018 issue) here:
https://www.filmfonds.nl/page/6034/film-facts-figures-mei-2018

2

DISTRIBUTION AND EXHIBITION

- ••• SWISS FEDERAL STATISTICAL OFFICE
- ••• CNC
- ••• NEVAFILM RESEARCH
- ••• BRITISH FILM INSTITUTE (BFI)

••• SWISS FEDERAL STATISTICAL OFFICE CH

CHANGES IN FILM SUPPLY IN SWISS CINEMAS, 2003-2017

The cinema sector is confronted with various challenges in the battle for audiences. The volume of cinema tickets sold was already on the decline in the noughties. With increasing digitalisation, cinema operators are also finding themselves up against competitors that offer films via channels such as video on demand (VoD). How have film supply developed in this context? This article provides a summary of the film supply in traditional cinema over the last 15 years. Alternative content in cinemas (concerts, live events, etc.) and open air cinemas that are popular in Switzerland in summer are not taken into consideration.

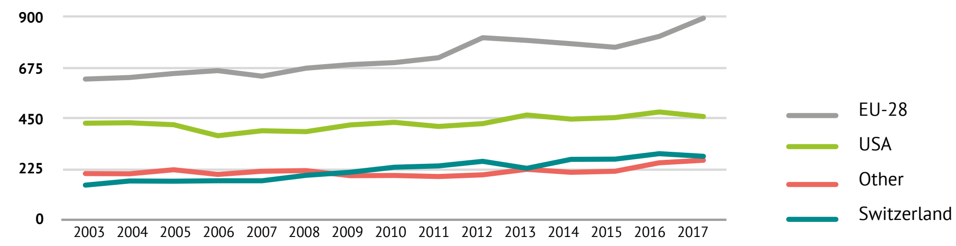
Breadth of film supply – how many films are shown?

In considering the breadth of supply over the years, it quickly becomes clear that more and more films are being shown in Swiss cinemas. The number of films screened between 2003 and 2017 increased by around a third to over 1 900 films, among new releases the increase was even 48% (to over 500 titles). This, however, can also be attributed to a considerable jump in 2017. Relative growth was greatest among Swiss films (85% in general, 97% among new releases). For films from the EU (EU-28 for the whole period considered), the increase compared with 2003 was 44% and 55% for new releases. From around 2012, a sharp increase was seen in EU films, for new releases the increase was more gradual until 2016, and the greatest leap occurred in 2017. Compared with European films, growth in US films was slighter, although it was nonetheless around 23% in the case of new releases. This increase in the number of film titles screened represents an impressive development in film supply that should please cinema fans (see figures 1 and 2).
Most films screened come from the EU-28 countries: they accounted for around 45% of films shown in a year. Films from the USA took second place with a share of around 24% in 2017, although this share has fallen by 5 to 6 percentage points in the last 15 years. Swiss films accounted for 15% in 2017 – their share has varied in the last 15 years between 11% and 16%.

Availability of film supply – how often are films shown?

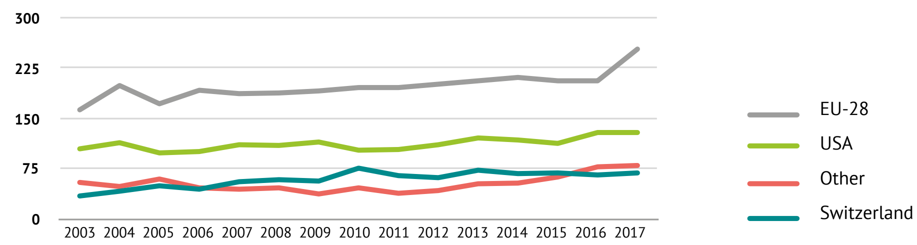
Parallel to the increasing number of films screened, the number of actual screenings also increased. The number of screenings of American films increased considerably (between 20 and 30% compared with 2003) while the number of films remained fairly stable. In contrast, the number of screenings of Swiss films was unstable, depending on individual, larger productions (see figures 3 and 4).
When the annual screenings are allocated to their countries of origin, the focus on American productions can be clearly seen in the figures: in 2017, 24% of films shown were American, but accounted for 61% of screenings (for new releases the figure was 63%). Only 27% of screenings were for films from the EU although these made up the majority of the films shown. 7% of all screenings and 6% of all new release screenings concerned Swiss productions.

••• FILMS SHOWN BY ORIGIN (2003-2017) FIG.1



Source: Swiss Federal Statistical Office

••• NEW RELEASES BY COUNTRY OF ORIGIN (2003-2017) FIG.2



Source: Swiss Federal Statistical Office

••• SWISS FEDERAL STATISTICAL OFFICE CH

Variation of film supply – how strongly are screenings focused on individual films?

Digitalisation also makes the distribution of cinema films easier: copies cost less and the distribution of small productions is more affordable as a result. The noticeable increase in film supply in Swiss cinemas over the past 15 years, however, is not expected to hide the fact that cinema operators and distributors particularly focus on a few, potentially successful films. Only 55 films were shown in approximately half of all screenings. This was similar 15 years ago: 47 films were shown in around half of all screenings in 2003. The majority of these films were – unsurprisingly – American productions: between 72% and 84% of these films came from the USA. The strategy of cinema operators and distributors seemed to pay off in that a few, frequently shown films generated the majority of admissions. Admissions ran in a curve parallel to that of screenings: until 2009, 50% of admissions were generated with the 30 most-shown films, in subsequent years it was more frequently around 40 films (figure 5). To classify these results: 67% of all admissions and 69% of all admissions to new releases were to American films (variations of up to 14 percentage points since 2003). For films from the EU, the share was 21% (variations of up to 14 percentage points) and for Swiss films 7% (variations of up to 8 percentage points).

Film supply by area – how large is the range of films on offer outside the largest urban centres?

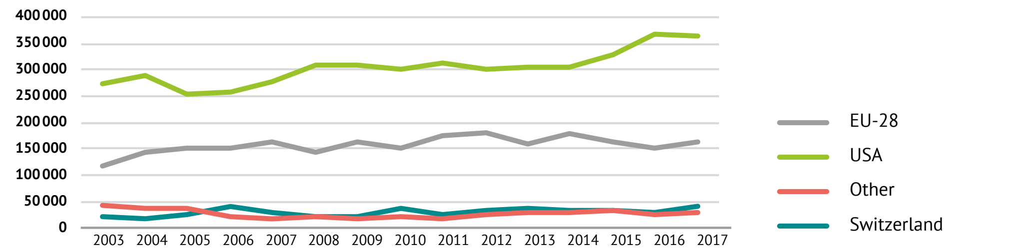
Just under one third of the films shown could only be seen in the 10 largest cities in the last 15 years (agglomeration communes were not included here). No significant change has been seen over the years. New releases were, however, more widely distributed across the regions. Films accounting for half of all screenings were shown in almost all cantons in 2017 (with more than 3 active cinemas). Unsurprisingly, there is a link between the number of films shown and the cinema infrastructure. Finally, it is also worth mentioning that Swiss films were more widely distributed than they were 15 years ago. In 2003, at least one Swiss film was shown in around 70% of cinemas, while in 2017 this was the case in 86% of cinemas.

References and methodology

You can find this and further information on the Swiss Film and Cinema Statistics on the Federal Statistical Office's website and by request from the following email address: poku@bfs.admin.ch
Interactive tables (topic 16) are available in four languages at the following link https://www.pxweb.bfs.admin.ch/pxweb/en/

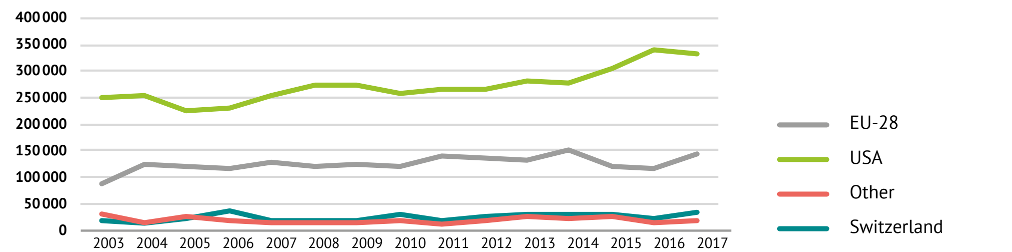
The figures used in this article are based on extracts from the SSCIN database. Only documentary, feature and animation films that are 60 minutes or longer are covered. All cinemas in Switzerland that are registered with the Federal Office for Culture are included. Festivals, open air cinemas and adult cinemas are excluded. Changes of method in this regard from the tables published on the website have been corrected for this article, which is why the results may differ minimally from those currently published on the website.

••• SCREENINGS BY COUNTRY OF ORIGIN (2003-2017) FIG.3



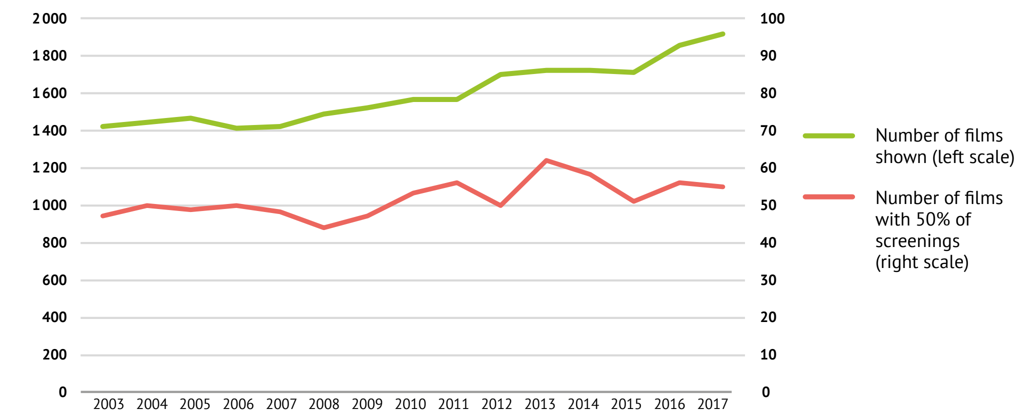
Source: Swiss Federal Statistical Office

••• SCREENINGS OF NEW RELEASES BY ORIGIN (2003-2017) FIG.4



Source: Swiss Federal Statistical Office

••• SUPPLY IN SWISS CINEMAS (2003-2017) FIG.5



Source: Swiss Federal Statistical Office

••• CNC FR

CINEMAS IN FRANCE: CINEMA LANDSCAPE AND ATTENDANCE, 1998-2017

An ever-higher coverage rate across the cinema landscape

As of 2017, France was home to 2 046 cinemas and 5 909 active screens, i.e. accommodating at least one paid showing during the year. The cinema landscape has completely transformed over the last 20 years. While the number of cinemas has decreased slightly (-4.7% between 1998 and 2017, i.e. 100 establishments less), the number of theatres exploded over the same period: +24.1%, or 1 146 screens more. This transformation results from the construction of new multiplexes, establishments with at least eight screens, as well as from increasing density in cinema coverage of the smallest municipalities. In 1998, there were 73 multiplexes identified in France. As of 2017, that number had risen to 218.

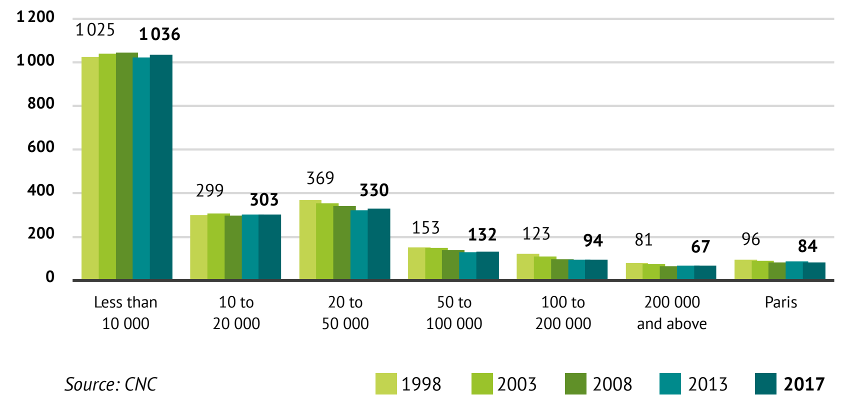
The smallest municipalities have been the driving forces in the transformation

The most significant trend in the cinema landscape has to do with the geographical location of cinemas themselves. In 2017, 1 662 municipalities were equipped with at least one cinema. More than 60% of these municipalities had fewer than 10 000 inhabitants. Conversely, 2.4% had 100 000 or more. The latter have been equipped for more than 20 years. In 1998, municipalities with 100 000 inhabitants or more were all already equipped with at least one cinema. The municipalities in which new cinemas have been established are also some of the smallest. In 20 years' time, the French cinema landscape has been established in 51 additional municipalities with fewer than 20 000 inhabitants compared to 9 additional municipalities with more than 20 000 inhabitants. However, the transformation is not limited to the arrival of new cinemas in cities that are not equipped. Some cities, equipped yesterday, are no longer equipped today. In addition to establishing themselves more deeply in the territory, cinemas are opening in areas capable of welcoming them. It is easier to build new cinemas in the less urbanised municipalities than in municipalities with 100 000 inhabitants or more. This is because the latter are home to a population and facilities that are too dense. In contrast, the smaller municipalities offer large expanses free of any structures, giving free rein to the construction of new cinematographic complexes.

More than 900 new screens in the smallest municipalities

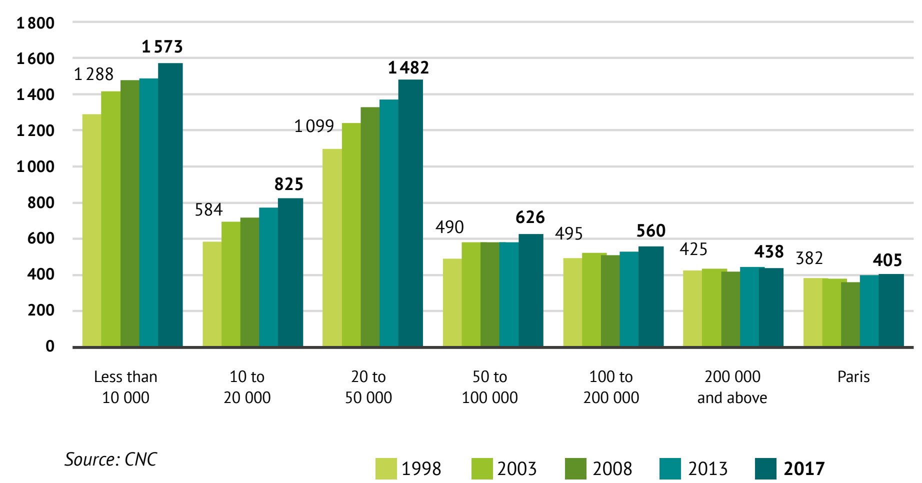
The largest municipalities with 200 000 inhabitants or more (including Paris) have seen relative stability in their cinema base: 26 establishments less, 36 screens more and 4 832 seats less in 20 years' time. These developments show that the arrival of new cinemas in highly urbanised municipalities remains complex. Operators are making expansions to existing cinemas. It is also common for some operators to close downtown theatres to reopen a new, larger facility on the outskirts of town.
In the smallest municipalities, the theatre base has undergone a profound transformation. In cities with 20 000 to 50 000 inhabitants, the number of cinemas has decreased since 1998 to 330 in 2017 (-39 cinemas). However, it is in these municipalities that most of

••• ESTABLISHMENTS ACCORDING TO SIZE OF MUNICIPALITY (1998-2017)



Source: CNC

••• SCREENS ACCORDING TO SIZE OF MUNICIPALITY (1998-2017)



Source: CNC

••• CNC FR

the multiplexes have been established in recent years. While only 18 multiplexes were open in these areas in 1998 (24.7% of the multiplex landscape), there were 77 of them (35.3% of the base) by 2017. At the same time, the number of screens (+383) and seats (+60 458) exploded in the same municipalities. In the smallest municipalities with less than 20 000 inhabitants, all indicators are on the rise: 15 cinemas, 33 multiplexes, 526 screens and 47 790 additional seats between 1998 and 2017. In 20 years, more than 900 new screens (909 screens) were opened in municipalities with fewer than 50 000 inhabitants, accounting for 80% of new screens over the period.

More balanced breakdown in attendance numbers

In 2017, cinemas held 8.1 million showings, generating 209.3 million admissions and EUR 1 380.2 million in box office. These results are significantly higher than in 1998. The number of screenings increased by +76.6%, the number of admissions by +22.8% and box office by +50.6%. The trends formed a very mixed picture, varying in accordance with municipality size.

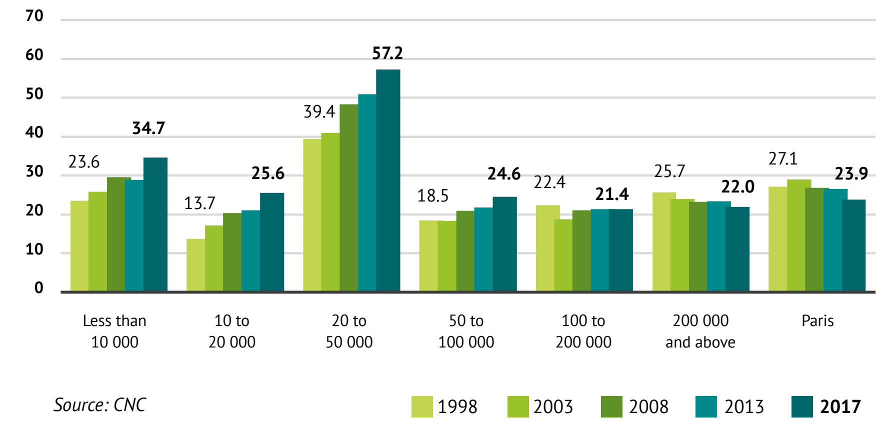
In municipalities with fewer than 50 000 inhabitants, the number of screenings more than doubled between 1998 and 2017. This phenomenon results, beyond the expansion of the landscape, from more regular cinema openings. Particularly due to the migration of populations from large cities to smaller municipalities, cinemas have changed their habits from opening a few days per week, to a daily opening combined with a diversified schedule of multiple showings per day. This new offer naturally led to a significant increase in film attendance in municipalities with fewer than 50 000 inhabitants (+53.1% between 1998 and 2017) as well as an increase in box office (+90.5%).

Cinemas in towns with 50 000 inhabitants or more outside Paris posted more measured variations: +38.8% in screenings, +2.1% in admissions and +28.7% in box office. The very small increase in admissions comes mainly from the municipalities with 200 000 inhabitants or more, in which attendance fell by 14.4% (+14.8% for screenings). In Paris, the picture is similar. Despite an increase in the number of screenings (+27.1%), attendance declined (-11.8%). These cities have, in addition, abundant cultural facilities (theatres, concert halls, etc.) and offerings, which potentially divert cinemagoers from theatres.

Film programming in greater depth

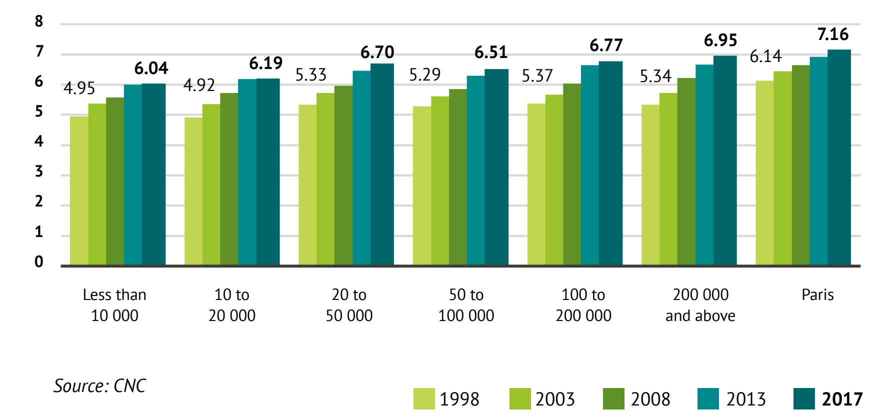
Programming has also played a major part in boosting attendance in smaller municipalities. In municipalities with fewer than 10 000 inhabitants, 79.2% of showings in 1998 were exclusive first-run films (released for the first time in the year). In 2017, this rate reached 91.3%. The same trend is reflected in municipalities with 10 000 to 20 000 inhabitants (80.8% in 1998 versus 89.2% in 2017), those with 20 000 to 50 000 inhabitants (83.2% versus 91.9%) and those with 50 000 to 100 000 inhabitants (83.0% versus 89.3%). In the largest municipalities, the trend is much less visible, rising from 89% to 91%. The greater depth in programming offered in less populated communes naturally works to their benefit. Film-goers no longer have to go to big cities to see recent films.

••• ADMISSIONS ACCORDING TO SIZE OF MUNICIPALITY (1998-2017)
(in million admissions)



Source: CNC

••• AVERAGE BOX OFFICE PER TICKET SOLD, ACCORDING TO SIZE OF MUNICIPALITY (1998-2017) (in EUR)



Source: CNC

••• NEVAFILM RESEARCH RU

FILM INDUSTRY 4.0 AND THE DIGITAL MOTION PICTURE FACTORIES

Economists distinguish three "industrial revolutions" in the history of mankind. The transition from manual labor to mechanised machine tools and the energy of water and steam marked the 1st Industrial Revolution. The advent of the first production lines – conveyors – and the widespread use of electricity prompted the 2nd Industrial Revolution. The development of electronics and information technology, programmable controllers and automation laid the foundation for the 3rd Industrial Revolution. Industrial production, which is based on the total digitisation of all processes, digital modelling and the creation of virtual "digital twins" of physical objects of production, enables us to discuss the new revolution, the 4th Industrial Revolution.

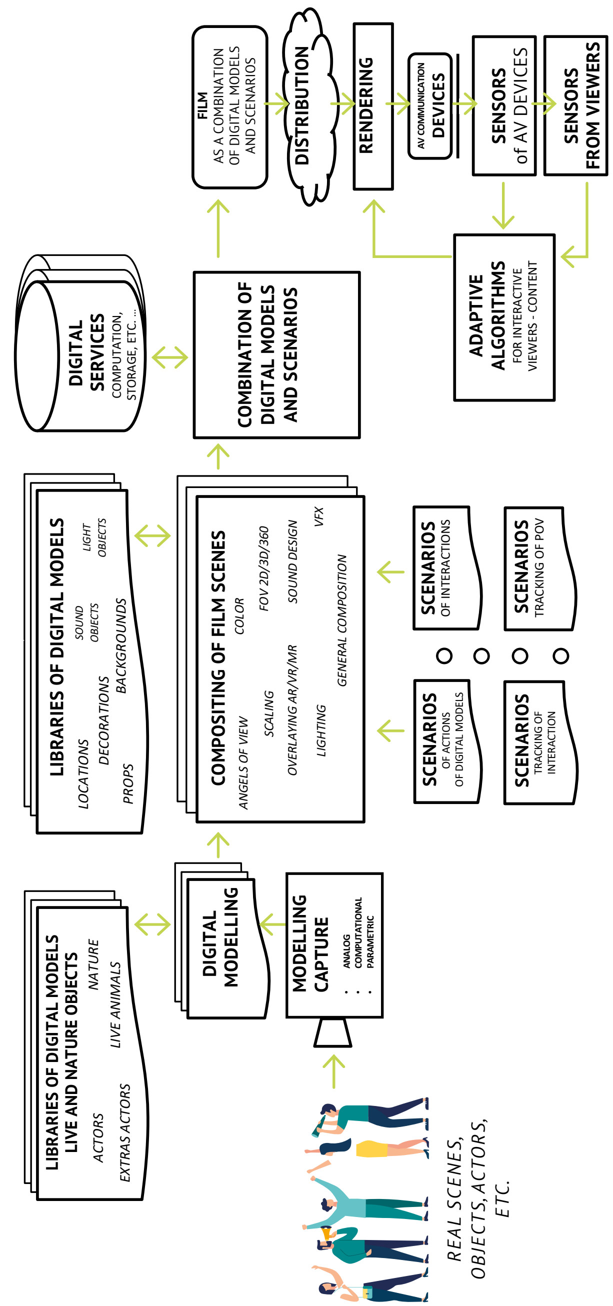
The production of motion pictures is inextricably linked to technology. Therefore it has also gone through industrial revolution steps. The simplest optical-mechanical mechanisms and lighting systems can be described within the logic of the 1st Industrial Revolution.

The separation of functions inside the gigantic motion picture studios by the first specialised enterprises and the emergence of national cinema chains became the basis of the 2nd Industrial Revolution in the film industry. This is characterised by the emergence of the electric drive, the "separation" of the shooting and projection devices into two branches of design and technological development, complication of the production processes of the cinematic art, and the widespread use of conveyor production which have directly impacted picture-taking, projection and other film technology.

The 3rd Industrial Revolution in the film industry was marked by the introduction of the first electronic computing systems in film production, the creation of the system of multiplexes and transnational networks of cinemas and the splitting of gigantic motion picture studios into isolated small-service companies that specialised in particular fields of film production. Today, the film industry is on the verge of a new Industrial Revolution: we are going to move from the fixed images on a carrier to digital models of objects, changing the film paradigm into a combination of models of digital objects and digital scenarios.

The production units of this revolution, Film Industry 4.0, will be digital motion picture factories – the systems of integrated technological solutions that provide for digital models of audiovisual components of the work and the combination and assembly of these models into an audiovisual work in accordance with an artist's general intention. We will face total digital modelling of everything: from sets, locations, actors, their wardrobe and props to new opportunities for sound work and translations to another language. Nevertheless, it should be emphasised that the transition to Film Industry 4.0 does not imply the rejection of the involvement of actors, artists, designers, directors, cameramen, and sound engineers in filmmaking. Creativity and its realisation remain the essence of human talent, performing and acting skills. The new processes of digital modelling will only become a new technology of film production.

••• SAMPLE STRUCTURE OF THE DIGITAL MOTION PICTURE FACTORY OF FILM INDUSTRY 4.0



Source: Nevafilm Research

••• NEVAFILM RESEARCH RU

The new 4th Industrial Revolution will be built on the foundation of a radically new organisational form of productive forces – on digital technological platforms which will also define the business models for the production, distribution and consumption of audiovisual content. The technologies for ensuring the security of the content, models of financing and return on investments, and copyright management, including rights to digital virtual objects, will be based on distributed ledger technologies, i.e., blockchain technologies.

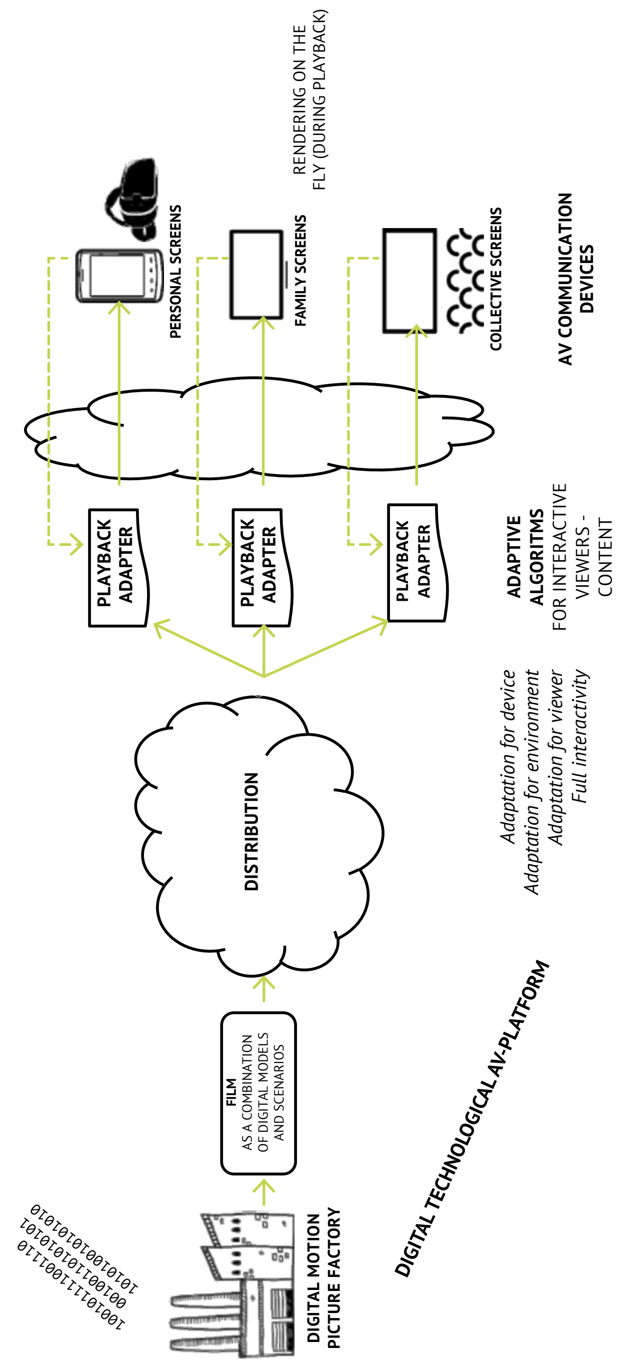
On the other hand, the diversity of the modern media of audiovisual communication – the means of presenting the content – has prompted the need for the adaptation of the content to each type of media (large-screen systems for collective viewing; screens intended for family/group viewing; screens for personal/individual viewing). Unlike modern technologies for the playback of audiovisual content, the adaptive technologies are not based on scaling, framing or panning of the film components – images and sound. They are based on the recombination of digital models of film objects according to the preset playback scenarios determined by communication devices and the conditions of content presentation to the viewer to enhance the perception of the meaning of the film.

These adaptive technologies open up new artistic opportunities for the creators of audiovisual content – from films where scenarios can be altered and versions of films by influential people to targeting different groups of consumers by changing the audiovisual content on the basis of the analysis of dramatic and emotional structures of perception. A film can be made the way some of the great moviemakers would have presented it, for example, after analysing the artistic techniques of a certain director.

Adaptive technologies of the perception of the digital content, in combination with the technologies for analysis of big data about a particular content consumer, including technologies based on artificial intelligence and neural interfaces, enable predictive and participative scenarios for the playback of digital content (a film) based on the analysis of personal behavioral characteristics, assimilated libraries of archetypes and images, reactions of a particular moviegoer or a group of moviegoers, and changing the rate of the transfer of meanings, determined by the artistic decision of the director.

The imminent Fourth Industrial Revolution offers the film industry a unique chance to advance its development of the new concept of production, distribution and consumption of movies and audiovisual content. The foundation of the 4th Industrial Revolution is knowledge. The main investments must be channeled into knowledge, education, competence, research, and the formation of new technological principles and concepts. The trends of industry development should be evaluated to address the engineering and technological challenges that are "beyond the understanding". The creation of a new space, a new "puzzle", and a combination of new platforms and technologies in the industry is needed.

••• ADAPTIVE MULTIMODAL PLAYBACK OF AUDIOVISUAL CONTENT ON DIFFERENT TYPES OF AV DEVICES



Source: Nevafilm Research

••• BRITISH FILM INSTITUTE (BFI) GB

THE CONTRIBUTION OF OLDER FILM TO THE UK FILM MARKET

This study is focused on the value of older film in 2015 across theatrical re-releases, physical video, free terrestrial and multi-channel pay TV, and provides comprehensive statistics to support the industry in making informed decisions regarding the ongoing distribution and monetisation of older film.

Opening weekend and overall performance at the box office are the traditional focus of film business models. However, continuing exploitation of older film can be a substantial part of the total film value chain, contributing not only to revenue generation across secondary distribution platforms, but also in extending or re-igniting the life of a film title. This extended life creates further, long-term income from a production, and can often generate revenue for the film's rights holder for many years after its initial release. The findings from this study provide evidence that producers and other key decision-makers may wish to take into account when projecting the potential long term revenue of a film as part of their overall business plans.

Methodology and definitions

The approach taken for this investigation of the value of older film was to conduct quantitative, primary analysis on data from a variety of industry sources, with secondary follow up by either a qualitative interview or survey with distributors specialising in physical video and older film releases.

'Older film'

For the purposes of this study, 'Older film'[1] is defined as any feature film that had a UK theatrical release at least twenty years prior to 2015 – the latest year in which comprehensive and imputed data was available when the study was undertaken – and which is 60 minutes or more in duration. Both documentary and fiction films are included to give a full picture of older film available across theatrical, physical video and television platforms. Films excluded are those released directly to physical video and/or made specifically for television that did not receive a theatrical release.

'Platforms'

For the purposes of this report, 'platforms' refer to theatrical, physical video, terrestrial TV and multi-channel and pay TV. Digital video is not included in this report, due to a lack of access to data at title level from distribution platforms such as Amazon, Apple iTunes or Google Play. This exclusion implies that the number and value of older films included in this analysis may be somewhat under-estimated.

1 There are some exceptions to this rule, for instance, titles of particular cultural or historical significance or are early feature films (pre-1920) that fall short of the 60 minute run time (such as *Night Mail* or *A Trip to the Moon*) have been included.

Availability of older film titles

In 2015, almost 10 500 older film titles were available to view across the four platforms (theatrical, physical video, terrestrial TV and multi-channel, and pay TV), accounting for 26% of all films available. Note these numbers are not unique and some titles may appear on more than one platform. Older film broadly follows a similar distribution pattern to all film with the majority of titles available on physical video (81% of all film titles compared with 72% of older film titles) and the lowest proportion released theatrically. Unlike cinema and television, physical video is not restricted by a programmed schedule and this may be the reason for the large majority of all film and older film titles being available on this platform.

Looking at older film as a % of all films by platform however, shows that older film makes up a much larger proportion of the total films available on television channels, both free and paid for, highlighting the value of this genre in providing large volumes of content that can fill 24 hour schedules.

••• NUMBER OF ALL OLDER FILM TITLES BY PLATFORM (2015) TAB.1

	Number of all film titles 2015	%	Number of older film titles	%	Older film titles as % of all film titles
Physical video retail	32 637	81.4	7 515	71.8	23.0
Multi-channel and pay TV	5 242	13.1	2 421	23.1	46.2
Terrestrial TV	1 463	3.6	500	4.7	34.2
Theatrical	759	1.9	32	0.3	4.2
Total	40 101	100	10 468	100	26.1

Sources: Attentional, BFI RSU analysis, comScore, Official Charts Company

••• REVENUE OF THE OLDER FILM MARKET (2015) TAB.1

	Number of all film titles 2015	%	Number of older film titles	%	Older film titles as % of all film titles
Physical video retail	712	19.9	23	5.1	3.2
Multi-channel and pay TV	1 411	39.4	370	81.3	26.2
Terrestrial TV	225	6.3	60	13.2	26.8
Theatrical	1 236	34.5	2	0.4	0.2
Total	3 584	100	455	100	12.7

Sources: Attentional, BFI RSU analysis, comScore, Official Charts Company

••• BRITISH FILM INSTITUTE (BFI) GB

Revenue for the older film market in 2015

In 2015, the total revenue from older film across the theatrical, physical video retail and television markets was worth GBP 455 million, representing nearly 13% of revenue for all film. The split of revenue was not the same across the platforms for all film and older film. For both older film and all film multi-channel and pay TV accounted for the greatest proportion of revenue (NB older film is a sub-set of the total for all film). However, for older film terrestrial TV accounted for the next second highest element of revenue, whereas for all film it was theatrical (Table 2).
Physical video accounted for 5% of older film revenue (GBP 23 million) but nearly all of this revenue is from the top 50% of the available older film titles.

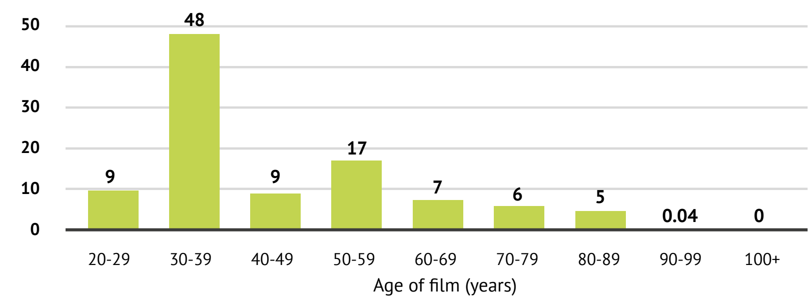
Popularity of older film by age in 2015

To understand the popularity of older film by age, this study looked at box office takings, number of physical video units sold and number of viewers on terrestrial and multi-channel and pay TV by age and genre of film. Across platforms, the age distribution of older films watched/purchased differs, but on each platform there is a preference for more recent older film; for physical video and television the preference is for films that are aged 20-29 years, whereas at the cinema, the preference is for films 30-39 years old.

Theatrical revenue in 2015
A total of 32 older films were re-released into UK cinemas in 2015, of which most were less than 50 years old and with a median widest point of release of 17 cinemas.
The skew for films aged 30-39 years among older film at the box office in 2015 is due to the success of *Blade Runner: The Final Cut*, which was re-released for its 30th anniversary. Without *Blade Runner: The Final Cut* the box office for films aged 30-39 years old drops from GBP 940 000 to GBP 184 000, thus, without this particular title, films aged 30-39 fall more in line with the percentage distribution of the other age categories. Watching an older film at the cinema may be influenced by programming and availability, which is linked to rights access, and from the audience's side, familiarity and nostalgia.

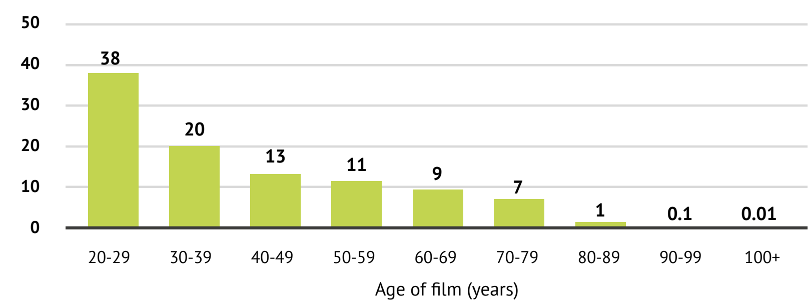
Physical video and television
Just under 40% of films watched on physical video or television are 20-29 years old. This is due to the greater availability of 'young older films' than 'old older film'; in fact the data shows there is a positive correlation between number of films available by age category and films purchased or watched. The interview with, and survey to, distributors indicated that in-house decisions regarding film choice and obtaining back catalogues, such as StudioCanal, can influence film availability and subsequent sales.
For TV, it is likely that the purchase of rights to packages (a package of films used by a distributor to licence multiple titles to a broadcaster, usually, though not exclusively, including a mixture of both blockbusters and older 'library' titles) affects the availability to broadcasters of scheduling films and thus determining those that are most watched.

••• POPULARITY OF OLDER FILM - THEATRICAL (2015) (% of box office)



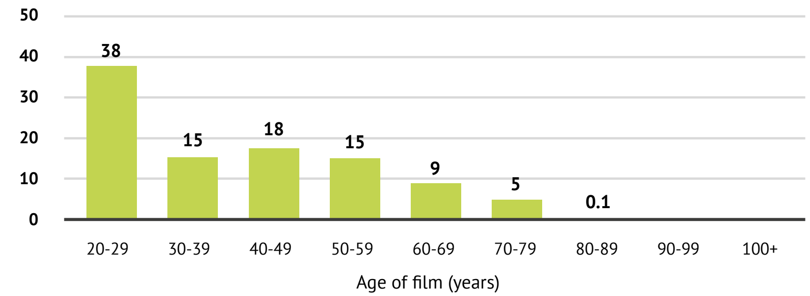
Sources: Attentional, BFI RSU analysis, comScore, Official Charts Company

••• POPULARITY OF OLDER FILM - PHYSICAL VIDEO (2015) (% of units sold)



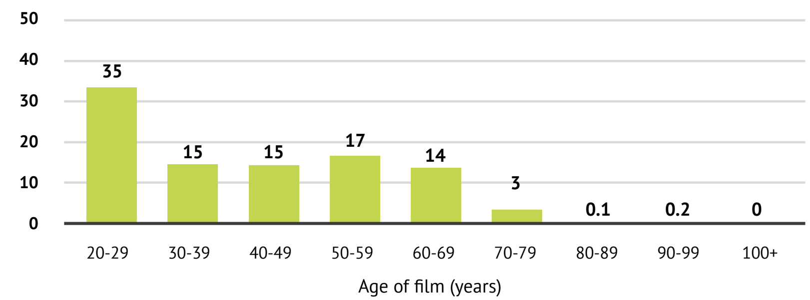
Sources: Attentional, BFI RSU analysis, comScore, Official Charts Company

••• POPULARITY OF OLDER FILM - TERRESTRIAL TV (2015) (% of viewers)



Sources: Attentional, BFI RSU analysis, comScore, Official Charts Company

••• POPULARITY OF OLDER FILM - MULTI-CHANNEL AND PAY TV (2015) (% of viewers)



Sources: Attentional, BFI RSU analysis, comScore, Official Charts Company

Additionally, for multi-channel television, it appears that supply affects demand: the number of transmissions made has some effect on films watched in each age category; and there is evidence that a 'young older' film will have more transmissions than an 'old older film'. A film's popularity is thus due to the number of times it is broadcast, in turn a factor of the number of plays that may be licenced by the broadcaster.

Beyond official box office data

One-off screenings, seasons and festivals

Theatrical re-releases only represent a partial picture of older film at the cinema. Older film is shown throughout any given year at any number of cinemas across the UK as a one-off screening or as part of a curated film season or festival – and this is notwithstanding consideration of neighbourhood or community cinema screenings. For example, every Christmas in the UK, there are screenings of *It's a Wonderful Life*, beyond official re-releases. Venues request older film prints directly from the distributors but these showings are not always tracked by comScore (the official box office data collectors) because the film is not in a distributor's release programme, however they are an important part of exhibition and the theatrical offer.

Physical video, the cult film and the 'neglected classic'

Physical video is not just comprised of widely recognisable older film titles but is also home to film that sits beyond the mainstream. These are films that are in demand by niche and devoted audiences as well as films that failed to enjoy critical acclaim or commercial success at the time of their initial release but are now regarded as a significant part of the UK film and television culture: the 'cult film' and the 'neglected classic'. Making non-mainstream titles available on physical video contributes to the continued health of the physical video market, itself under threat from the subscription video on demand providers. For distributors, physical video is an alive format where audience ownership is key. Physical video can thus reach not only audiences of mainstream releases, but devoted fans of certain film genres or the viewer looking for something familiar from the past.

Video on demand

This study did not cover older film on video on demand (VoD), as data is not available at title level. Recent reporting in screen-focused journals and the general press indicates that video on demand is moving towards having catalogues of newer rather than older films. In addition, the direction of travel for services such as Amazon Prime and Netflix is towards commissioning of original serial programme content or even their own movie catalogues, which may be indicative that, at least for the mainstream VoD services, older film is not seen to have value.

Conclusion

In conclusion, the data shows that film can create revenue decades after its original release. The base data for this study shows that films aged between 20 and 40 years are likely to have the most value in generating a bigger box office, a greater number of physical video units sold and a larger audience on television, than film in other age bands. However, it is also true that this will also be influenced by schedule curation, audience familiarity with the film and nostalgia for particular genres of film, actors or directors. Whilst the success of a film's opening weekend and overall performance at the box office is an important factor influencing its performance on other platforms, it is evident that many films continue to generate revenues over a long period of time and to have value long after their initial release window.

3

AUDIENCE

- ••• GERMAN FEDERAL FILM BOARD (FFA)
- ••• NEVAFILM RESEARCH
- ••• SWEDISH FILM INSTITUTE

••• GERMAN FEDERAL FILM BOARD (FFA) DE

CINEMA ATTENDANCE IN GERMANY 2016

Fewer admissions, but when people go to the cinema, they do it more frequently than in the previous year

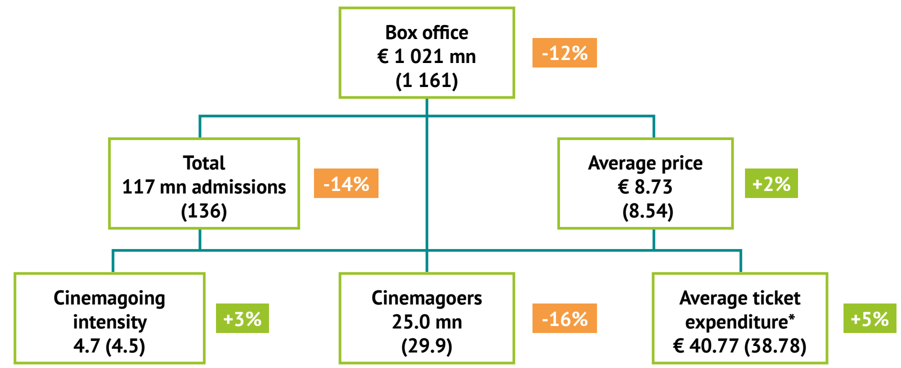
More than half of all the cinemagoers going to the cinema in Germany in 2016 went to see a blockbuster. Between the beginning of January and the end of December, 68 million cinema tickets – and thus 56% of all tickets sold – were bought for one of the 34 films that reached a million admissions or more last year, once again including seven German productions. The three most successful films over the past year also had three common features: they were 3D-animated films whose protagonists came from the animal world and had each attracted around 3.8 mn cinemagoers to the cinemas: *Zootopia, Pets* and *Finding Dory*. However, taken as a whole, 2016 didn't come close to the exceptional year of 2015 in almost every area of the attendance statistics. The figures can be found in the *Cinema attendance in 2016* study which the German Federal Film Board (FFA) has published for the 26th time in a new edition.

Further details from the study:

- In 2016, a total of 25 million people were at least once in the cinema – 4.9 million less in the previous year (-16%). Some 4.1 million cinemagoers, who had returned to the cinema for the first time in two years ("sleepers") in 2015, did not go there again in 2016.
- The audience reach measured in terms of the total population stood at 37% in 2016 – and thus under 40% again for the first time since 2007. Again, it was the 10 to 19 year olds who were the most enthusiastic cinemagoers with a reach of 71% - and young women (79%) were particularly to the fore here: around eight out of ten young women in Germany in this age bracket had visited the cinema on at least one occasion in the past year.
- The cinemagoing intensity increased year-on-year in 2016 – as opposed to the reach – and stood at 4.7 visits (2015: 4.5). The number of cinema visits per capita was highest among the 30 to 39 year olds with an average 5.6 visits. This surpassed for the first time the number of visits by the 20 to 29 year olds (5.2 visits) who had been the leading age group since GfK records began.
- The most stable target group of cinemagoers was the one for the 30 to 39 year olds with 20.5 million admissions (2015: 20.4 million) – whilst, year on year, all the other age groups showed less interest in going to the cinema.
- A comparison of trends over the past six years showed that cinema attendance for the target group of the 50 to 59 year olds had increased the most by 45% – and seen the biggest fall among the 20 to 29 year olds (-32%), although they were still the second largest group of cinemagoers after the 10 to 19 year olds according to the number of tickets sold.
- While 43% of the 20 to 29 year olds were already going to the cinema during a film's opening week, about every fifth cinemagoer aged 50 and above (19%) did not see the film of their choice in the cinema until more than two months after its release date.

••• GENERAL DEVELOPMENT OF THE CINEMA MARKET IN GERMANY

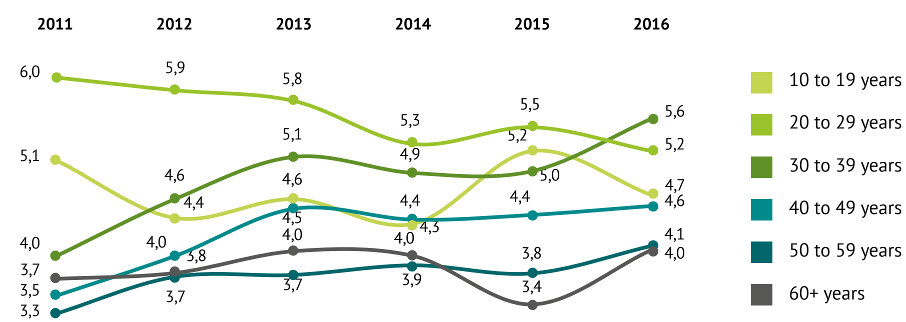
KEY FACTS ABOUT THE CINEMA MARKET IN 2016 (2015)



Source: German Federal Film Board (FFA)
Base: GfK panel

••• CINEMA ATTENDANCE IN GERMANY

DEVELOPMENT OF CINEMAGOING INTENSITY – AGE GROUPS (2011-2016)



Source: German Federal Film Board (FFA)
Base: visits

In 2016, cinemagoing intensity fortunately increased to 4.7 visits – however, there were differences within the age groups: while the intensity decreased for those aged under 30, it grew for all of the older groups of cinemagoers. The 5.6 visits for the 30 to 39 year olds were the highest per capita. The period under review in 2016 saw them surpassing the 20 to 29 year olds (5.2 visits) for the first time.

DE

••• GERMAN FEDERAL FILM BOARD (FFA)

- 56% of all cinemagoers went to the cinema between Friday and Sunday and thus usually paid a higher ticket price – this proportion of cinemagoers was around half (50%) 10 years ago.

The FFA has been publishing studies about the structure of cinema attendance and the development in cinemagoers' behaviour for the past 25 years. The figures have been published in the form of a presentation since 2004. This is based on the Media*Scope individual panel of the Gesellschaft für Konsumforschung (GfK) whose findings can be exclusively used by the FFA with regard to film industry data.
The panel comprises 25 000 respondents and is representative of the German population aged 10 years and above. This does not cover children aged under 10 years, foreign citizens as well as people who are constantly on the road or whose freedom of movement is temporarily restricted. The panel's methodology was revised in 2012 and all of the data recalculated retroactively as from 2007. The same year also saw a revision of the study's content. Apart from an examination of general developments in cinema, the evaluation now includes analyses of socio-demographic features as well as the presentation of individual information specific to cinema and the film industry. Cinema attendance to German films and 3D films is also published in independent studies. In addition, the data is used for separate studies (TOP 75 and a study of arthouse cinemas). The survey was conducted in writing (80% and rising online, approximately 20% paper & pencil) in the form of a diary which is kept by the panel participants themselves on a continuous basis. The findings are extrapolated to the total German population aged 10 years and above (as of January 2017: 67.7 million).

All studies published by the FFA can be downloaded from the FFA website.

MAIN RESULTS OF THE THIRD SURVEY OF RUSSIAN CINEMA AUDIENCE

The Third Survey of Russian Cinema Audience was held from 10 October 2016 to 6 December 2016. Nevafilm Research conducted the same survey in 2012 and 2014. A total of 6 658 people from 45 cities took part in the survey. The respondents filled in surveys on the Internet (3 966 respondents) or answered questions in 50 Russian cinemas (2 692 respondents). The main results of the new survey are presented below.

Cinema Audience

The Russian cinema audience is getting older due to the demographic changes of recent years: in 2011, the share of cinema respondents of student age (18-24) was 41%, decreasing to 33% in 2016, while the share of respondents of older age increased from 46% to 60%. The average age of cinemagoers today is 29 years old.
In 2016, the cinema audience responses about the preferable way of spending leisure time showed that 80% of cinemagoers prefer going to the cinema. Cinema trips were followed by outdoor and indoor activities with family that are most popular among 25- to 44-year-old people, as well as surfing the Internet, which is mostly popular with younger respondents.
The structure of cinema attendance has changed since 2011: people have less leisure time when they get older. In 2016, the share of regular cinemagoers (who go to the cinema at least twice a month) amounted to 67%, while in 2011 it was 70%. At the same time, the share of the audience going to the cinema 3 or 4 times a month increased from 20% to 25%. Meanwhile, the decrease from 11% to 8% in occasional viewers who go to the cinema once in 6 months or even more rarely, shows that the habit of going to the cinema has grown stronger in Russia over the last five years.

Admissions

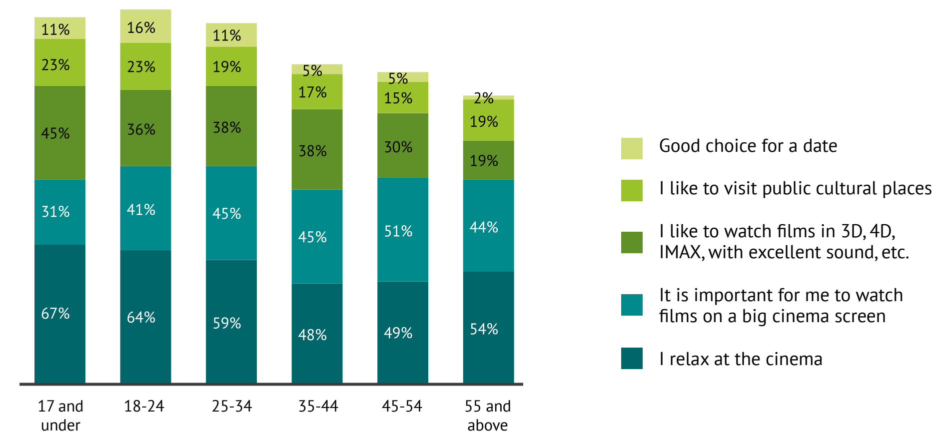
Nowadays, the main reason for going to the cinema is the desire to spend time with one's friends or partner; a large screen and modern amusement cinema technologies, which attract young viewers and small-town residents, are of less interest to cinemagoers. People under 24 often point out that cinema is a good place for a date; among more mature viewers going to the cinema with family is becoming popular (one-third of the respondents go with their spouses, children or parents). The residents of Moscow and St. Petersburg consider watching a film on a large screen to be important, while small-town residents consider a cinema trip to be a "night out".

Home viewing

65% of the respondents watch films at home on computers and TVs; mobile devices are noticeably behind the two leaders – only 23% of respondents use them. Comparing these results with the 2011 survey, when computers and TVs were as popular as nowadays, and mobile devices got 10 times less followers than the leaders, today this gap has decreased to 2.8 times, which can be explained by the spread of tablets. Young cinemagoers actively use different devices for home viewing and people of age mostly prefer the TV.

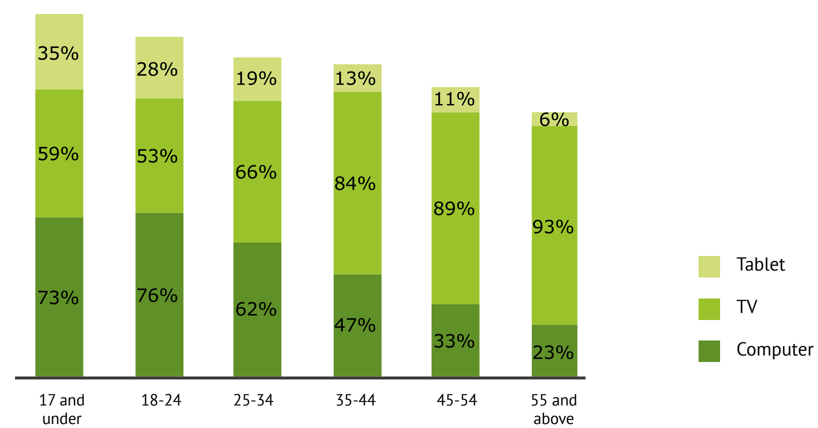
© Victoria Ivanova, Pavel Kuzmichev, Xenia Leontyeva / Nevafilm Research, 2018

••• REASONS FOR GOING TO THE CINEMA BY AGE GROUPS (2016)



Source: Nevafilm Research

••• USING NON-CINEMA VIEWING DEVICES BY AGE GROUPS (2016)



Source: Nevafilm Research

THE WAY TO WIN YOUNG FILM VIEWERS

FILM CONSUMPTION AND ATTITUDES AMONG YOUNG PEOPLE IN SWEDEN

One conclusion from previous audience surveys conducted by the Swedish Film Institute is that 15–29 year olds see more films than any other age group, but they are also the least positive towards Swedish film. This age group is also far more likely than others to watch films via illegal websites. These conclusions provoke many questions. Why do young people not appreciate Swedish film? What do they generally think makes a film good? Why do they watch film, and what emotions do they want to feel? Why do they choose illegal websites to watch film? What can the film industry do to make them more interested in Swedish film? What can different players do to convince them to choose legal film services to a greater extent?

To answer these questions, we saw a need to take a qualitative survey of young people in Sweden. The Swedish Film Institute commissioned market research company YouGov to conduct this survey. It was taken via online forums with an ethnographic element,[1] and participants were asked, among other things, to take photos of their home environment and show their favourite films. The forums ran for 72 hours on 1–3 November 2016, and on one extra day for follow-up questions. In all, 28 people aged between 15 and 29 took part in the survey.

The report also analyses results from the quantitative surveys conducted by YouGov on the Swedish Film Institute's behalf in 2014, 2015 and 2016. These surveys are based on online interviews with people aged 15–74 years. The selection is representative of the Swedish population in terms of gender, age and region.

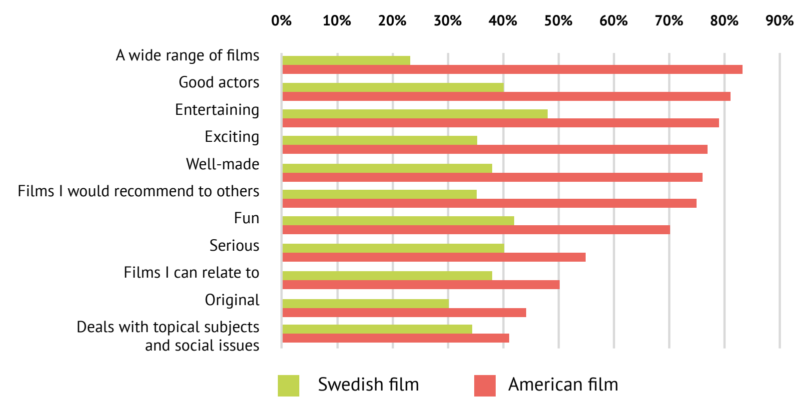
One of the charts uses the term 'population', and one 'film viewers'. In this report, 'population' refers to everyone aged 15–74 years. 'Film viewers' refers to the people in this age group who view film at least once a year (95% of the population).

Young audiences think of Swedish film as something different

The young people exclusively mention American feature-length films as their favourites, revealing a tremendous challenge for Swedish films in this target group. Some of the reasons given for enjoying these films is that they are perceived as fun and exciting. Compared to TV series, they say that a film focuses more on a single large event and more intense action. Young people prioritise freedom, love, pleasure and enjoyment more than older age groups. An exciting life is also far more important the younger the generation to which an individual belongs. This is reflected in the fact that young people to a greater extent watch films that evoke horror/fear, feelings of embarrassment and eroticism, and are more interested in the comedy, fantasy, adventure and thriller/horror film genres. Watching film is also a social activity to a particularly high degree for young people.

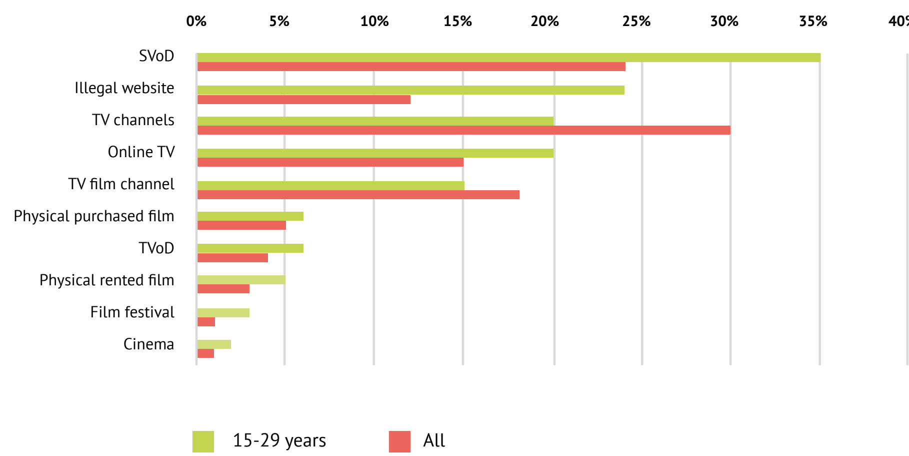
1 One feature of an ethnographic study is that the researcher follows a group over a long period and takes part in the group's everyday lives.

••• PERCENTAGE OF FILM VIEWERS AGED 15–29 WHO FEEL THAT THE FOLLOWING ASPECTS CORRESPOND TO... (2016)



Source: Swedish Film Institute

••• PERCENTAGE OF THE POPULATION WHO WATCH FILM AT LEAST ONCE A WEEK IN DIFFERENT VIEWING PLATFORMS (2016)



Source: Swedish Film Institute

••• SWEDISH FILM INSTITUTE SE

The difference between attitudes towards Swedish film and American film is greatest in terms of the factors wide range of titles, exciting stories and good actors. Young film viewers perceive the Swedish film range as unvaried, and they have less interest in common Swedish genres such as drama and documentary film. When it comes to excitement, young viewers are looking for unexpected elements and charged scenes, often with high production values, which they are accustomed to seeing in Hollywood productions. When it comes to actors, young people express dissatisfaction in the fact that Swedish films often feature the same actors, which suggests that they are looking for greater representation by different groups. They do however appreciate Hollywood Swedes such as Joel Kinnaman, Alexander Skarsgård, Alicia Vikander and Noomi Rapace, as these are associated with American film.

At the same time, the survey also reveals that there is a distinct value with what is Swedish. It is perceived as being closer, and it is significant to be able to relate to a Swedish culture. This is a unique aspect with which American films cannot compete. The combination of Swedish settings, action and excitement is one likely reason why the *Millennium* and *Johan Falk* films are popular among this age group. Films about the teenage years in Sweden, or which depict or make fun of uniquely Swedish aspects, also have the potential to reach many people. Relevant themes include personal transformation, new worlds, friendship, relationships, generational differences and romance. Music is an aspect that many respondents mention when it comes to films they like, which could explain why titles such as *Shed No Tears* (*Känn ingen sorg*) have reached so many young people.

Different groups have different expectations of film

Young people have different views on film than older people, but there are also differences within the young age group. Film preferences vary particularly between young women and young men. Women are generally more interested in drama, romance and musicals/music film. Women also generally find a feel-good feeling, nostalgia/sentimentality, sympathy and being moved more important. Men are generally more interested in action, adventure and science fiction, and see films that evoke eroticism to a greater extent than women.

When it comes to views on Swedish films, however, the difference between men and women is far smaller. This could be because young people are generally less interested in Swedish film and primarily watch the more widely known Swedish films. However, it could also be that interest in Swedish film is lower because there is a lack of Swedish films in the romance and action genres. Nevertheless, there are also some gender differences when it comes to which Swedish films young viewers like. Young men enjoy films such as *Cops* (*Kopps*) and *Balls* (*Farsan*), while young women liked *Simple Simon* (*I rymden finns inga känslor*) and *The Ketchup Effect* (*Hip Hip Hora!*). This could be because they combine comedy with the genres in which each gender is interested.

In the quantitative surveys it is evident that besides age and gender, there are also clear differences in film preferences when it comes to employment, type of household, region, education, income and type of residence area. Interest in Swedish film, for instance is greater among workers and residents in northern Sweden, but less among students and the self-employed.

Young people primarily watch film digitally

Feature-length film still meets a need. TV series are largely watched alone, while feature films are more of a social experience. This indicates that the need for feature-length film will remain. However, attracting your people to the cinema is a challenge. High ticket prices at cinemas are a barrier to a generally price-sensitive target group. This indicates that films at the cinema must really appeal to the target group if they are to deem the film experience sufficiently valuable. The physical distance to cinema theatres is not perceived as a problem, being closer to a cinema would not lead to more cinema visits among this group. It should also be noted that young people still go to the cinema more than older people. Even so, day-to-day film viewing takes place in the home and not at the cinema.

Digital media are the first choice for young people, both with regard to watching film and where they find information about film. Viewing TV series has created a habit when it comes to SVoD (subscription video on demand) services. A characteristic for the young target group is therefore a behaviour whereby they pay for their experience. There is however no known equivalent behaviour for feature-length films. TVoD (transactional video on demand) services are virtually unknown to this target group. When they receive information about different TVoD services the reception is divided; some express a direct interest which does indicate some sales potential in the target group. Others, however, are sceptical towards paying for an individual film, which suggests that SVoD services have created a habit of paying monthly, rather than for an individual film.

Using illegal websites to view films for free is very common and a normalised behaviour in this target group. The primary driver relates to the range of recent films on offer, although the fact that it is free is also a factor. This survey shows that the young target group does not consider the legal aspects or consequences of using illegal free sites. At the same time though, young film viewers feel it is important to use 'secure' viewing platforms. This highlights the importance of informing young film viewers about the drawbacks and risks of using illegal services. The illegal free sites also entail various practical downsides for the users (advertising, quality issues, spam etc.), and this is an important driver in paying for film services. Simply informing young people about TVoD services would likely create an interest among certain young people. Beyond that it is of course important that the service delivers in terms of range, user friendliness and value for money. If SVoD services offered a more up-to-date range of films, this could also help to reduce the use of illegal free sites. Moreover, an extended range of Swedish film on SVoD services could lead to greater impact and increased interest in Swedish films among young viewers generally.

4

ON-DEMAND SERVICES

••• CNC

••• BRITISH FILM INSTITUTE (BFI)

••• AUSTRIAN FILM INSTITUTE

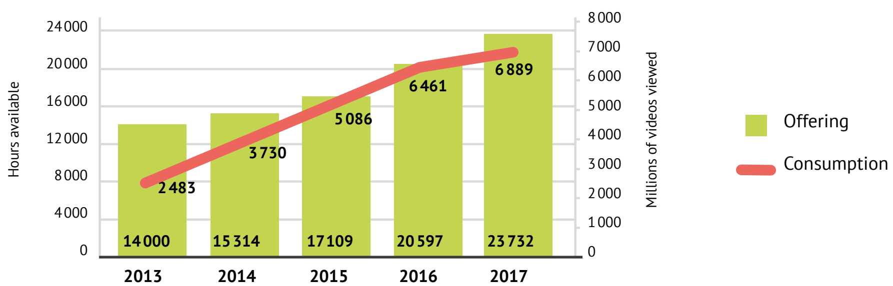
THE EVOLUTION OF PRACTICES REGARDING CATCH-UP TV IN FRANCE

Catch-up TV (also referred to as TV on demand) covers all of the services used to view – or view again – programs after they have been broadcast on a television channel, usually for a limited period of time, either for free or at no additional cost with a subscription.

24 000 hours of programs available each month

In 2017, an average of 23 732 hours of programs broadcast throughout the day on national FTA channels was available via catch-up TV on the Internet each month. The catch-up TV offering increased by 15.2% compared to 2016 and by 69.5% compared to 2013. In 2017, 14.8% of the catch-up TV offering was available from 0 to 7 days (32.2% in 2013). 78.2% of programs were available for more than 30 days (64.2% in 2013).

••• AVERAGE MONTHLY CATCH-UP TV OFFERING ON THE INTERNET (hours) AND CONSUMPTION OF CATCH-UP TV1 (millions of videos viewed)



6.9 billion videos viewed via catch-up TV in 2017

Consumption of catch-up TV continued to grow this year. In 2017, 6.9 billion videos were viewed via catch-up TV, versus 6.5 billion in 2016, representing an increase of 6.6% in one year. On average, consumption of catch-up TV has increased by 177.4% over the last five years.

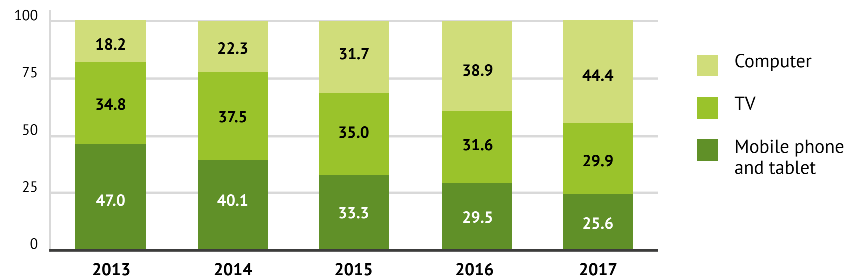
Flux programs made up the majority of the catch-up TV offering

In 2017, the share of stock programs (fiction, cinema, documentary and children's programs) accounted for 15.7% of the catch-up TV online offering, where 7.5% were fictions, 5.0% documentaries and 3.1% animated programs. Flux programs (entertainment, current affairs, news and sport) still represented most of the offering (84.3% of hourly volume in 2017). In the meantime, stock programs made up 52.1% of online television consumption. In 2017, entertainment was the most consumed program genre (28.8% of videos viewed), ahead of children's programs (25.4%) and fiction (25.3%). Most-watched online programs usually include broadcast successes, while programs targeting young audiences and "soap opera" programs are clearly overrepresented.

Mobile devices confirm their status as the leading medium in terms of volume of consumption

Consumption of online television – which includes catch-up TV and bonuses, and consumption of live television on devices other than the television set, increased across all media except computers in 2017 (+45.8% compared to 2013 but -5.1% compared to 2016 to 2.11 billion videos viewed). In 2017, 2.47 billion videos were viewed on a television screen (+130.0% compared to 2013) and 3.66 billion on a mobile device (+554.2%) of which 29.7% on a mobile phone and 14.8% on a tablet. In 2017, for the second year running, mobile devices (mobile phone or tablet) supplanted television sets to become the leading media for television consumption online.

••• ONLINE TELEVISION VIEWING BY DEVICE[1] (%)



Source: CNC Bilans 2013-2017

1 In number of videos viewed.

Catch-up TV penetration was stable at 80%

The use of catch-up television services has become part of the practices of the French population. In 2017, 79.8% of websurfers aged 15 and over reported having watched catch-up TV programs (all media) over the previous 12 months. They were only 68,9% in 2013. In 2017, 55.8% of users watched programs via catch-up TV at least once a week, vs. 43.3% five years ago. The share of daily users increased by 1.2 points to reach 12.2% in 2017.

Advertising revenues are estimated at EUR 115 million

Access to catch-up TV services is generally free to the public for national FTA channels and included in the subscription (at no extra charge) for pay channels. Advertising revenues represent the main source of earnings for catch-up TV services. In 2017, the advertising turnover for catch-up TV was estimated at EUR 115 million, versus EUR 105 million in 2016 (+9.5%). This figure increased by a factor of 3.8 between 2011 and 2017 (EUR 30 million in 2011).

SPOILT FOR CHOICE: HOW AUDIENCES ARE CHANGING IN TODAY'S FILM ECOSYSTEM

Background

There has never been a time in history when there have been more screens, more ways in which to watch films, and indeed, no time when there have been a greater number of films available to watch, whether it be the latest releases, favourite titles from years ago or even the newest productions from China or South Korea.

There has also never been a time when there has been such rapid change in the ways we watch film, brought about by digital technology and influenced by broader consumer trends. We are changing the way we shop, eat and make relationships, is film any different and what does this mean for the ways in which producers, exhibitors and distributors need to evolve their business models?

Whilst new providers such as the subscription video on demand platforms are very protective of their audience data, there is a growing body of evidence from which to draw some conclusions about what these platforms mean for today's film audiences and how this is changing our overall consumption of film.

Audience reach

Since their launch in the UK, subscription video on demand services have seen consistent growth through time, with the last year in particular showing significant gains, both for the market as a whole as well as for each individual service, but particularly Netflix. As a whole, according to BARB, the UK's gold standard television audience measurement currency, by the end of Q2, 2018, 11.6m households had access to one or more of these services, representing over 40% of all homes in the UK.

One service is not enough

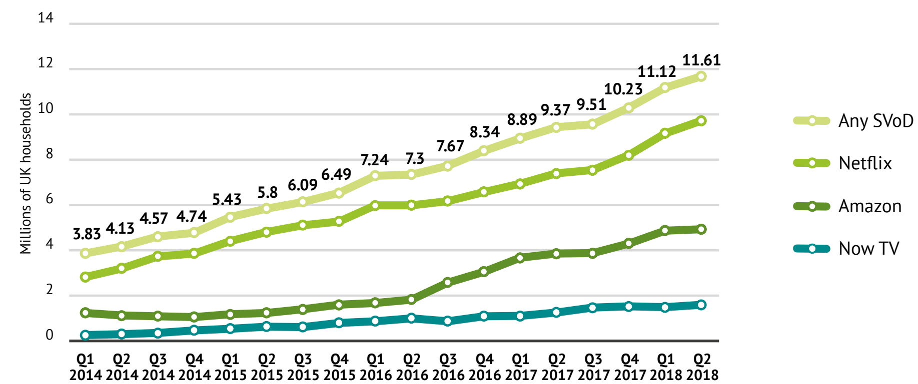
One of the features of the growth in SVoD penetration has been the propensity for users to have access to more than one service. In Q1, 2018, over 40% of all users in the UK had access to more than one service, with the most likely combination being Amazon and Netflix.

Growth in dual – and even triple – subscriptions was particularly evident in Q1, 2017 when the impact of the launch of two UK originated series during Q4, 2016, The Crown on Netflix and The Grand Tour on Amazon, became apparent as the proportion of all users with both services grew 10% points from the survey quarter (Q3,2016) pre-launch. This evidence would suggest that locally originated content could be one of the key drivers of sign up to a subscription video on demand service.

Ofcom's International Communications Market report compares the reasons for sign up to SVoD services amongst those who pay a subscription in nine different markets including the UK. Whilst there is some commonality, there are also differences between the nine different markets covered.

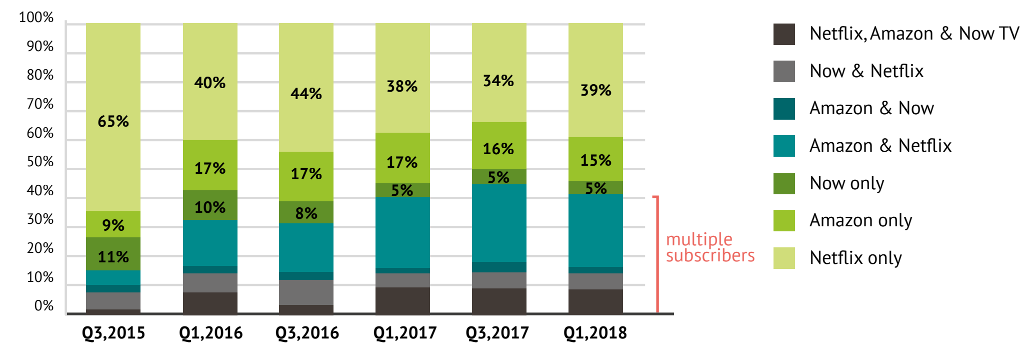
In most markets, the top reason for sign up relates to convenience – being able to watch at any time on any device – though UK and Italian subscribers slightly under index vs all

••• TAKE UP OF SVOD SERVICES IN THE UK (2014-2017)



Sources: BARB Establishment Survey, RSU Analysis

••• UK SVOD SUBSCRIPTIONS SERVICE OVERLAP, NETFLIX, AMAZON AND NOW TV (2015-2018)



Sources: Ampere Consumer, UK online survey. Base: 18+ (2,000) nationally representative

••• BRITISH FILM INSTITUTE (BFI) GB

others on this feature. Original and exclusive content, films and TV programmes which subscribers cannot see elsewhere, are important to subscribers across most countries, and a back catalogue of films is slightly more relevant for French subscribers than those in other markets. It is thus evident that SVoD subscribers generally are attracted to these services both for the new and original content that they cannot see elsewhere – in the cinema or on television – and/or for the convenience of being able to watch that content whenever and wherever they want.

Catalogues – the importance of original and exclusive content

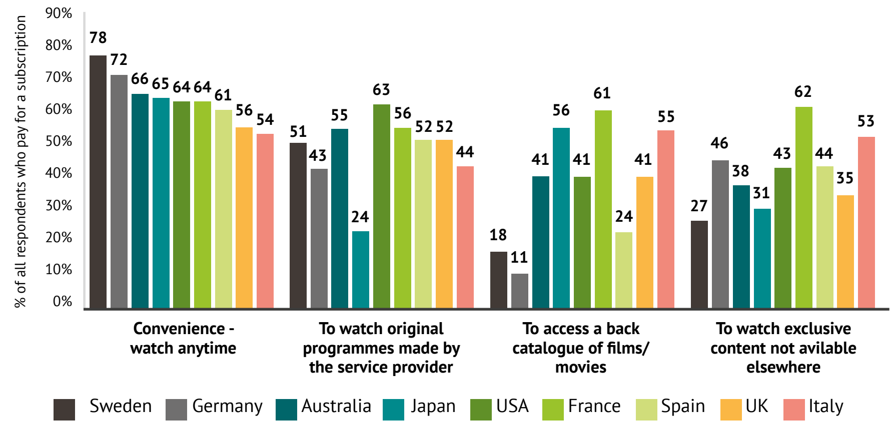
So how do the catalogues of the service providers match audience expectations?
In the UK, there are an increasing number of SVoD services available. Some, such as Netflix, Amazon and Now TV are aimed at a broad audience with a mix of new, original and exclusive content in their catalogues along with archive and catalogue titles. Others are more thematic in character either due to the nature of the parent brand (such as Disney) or due to the content which they offer (such as NBC Universal's HayU (reality series) or Filmstruck from Turner Classic Movies). For the three largest services in the UK, they all have 'original' and/or 'exclusive' content in their catalogues. For Now TV (owned by Sky) these originate either from Sky's production slate commissioned for its Pay TV service or from the exclusive deal with HBO, so they differ from Amazon and Netflix in that the content is not necessarily completely original or exclusive in terms of its availability elsewhere in the UK on a paid for platform.
Table 1 shows the split of hours by platform, along with the total hours of content available. Netflix, which has the largest subscriber base, also has by far the largest catalogue in the UK, more than twice the hours available of its rival services. However, even for this service the proportion of hours available that are original and/or exclusive is relatively small, around 1 in 6 of every available hour. For Amazon and Now TV, it is only 1 in 10 and the number of original hours account for less than 4% of the entire available catalogue.
From this we can conclude, that whilst audiences claim that original and/or exclusive content is an important reason for sign up, the perception that this type of content is available (driven of course, by clever marketing and promotional strategies) does not necessarily have to be delivered in order for a service to gain traction in the market. Nevertheless, it is also true that Netflix, the service offering the highest proportion of original and exclusive content in its catalogue in the UK, is also the market leader.

••• SPLIT OF UK SVOD SERVICE CATALOGUES (JULY 2018) TAB.1

	Amazon		Netflix		Now TV	
	Hours	%	Hours	%	Hours	%
Original	429	3.6	2 520	9.3	454	3.9
Exclusive	145	1.2	1 356	5.0	-	
Other exclusive or original content	346	2.9	246	0.9	651	4.3
Non-original content	11 052	92.3	23 045	84.8	10 647	91.8
Total Hours	11 972	100	27 167	100	11 602	100

Sources: Ampere Analysis, Original and Exclusive coding is supplied by Ampere Analysis and may not correspond with other published sources.

••• REASONS FOR SIGN UP TO SVOD SERVICES (2017) FIG.3



Sources: Ofcom research 2017, Base: All respondents who pay for subscription, UK=308, FRA=124, GER=233, ITA=209, USA=424, JPN=93, AUS=250, ESP=229, SWE=280 Q22c. What are your main reasons for signing up to/ using a subscription VoD service (Netflix / Amazon Instant Video / Rakuten / other subscription service)?*

••• UK SVOD CATALOGUES BY COUNTRY OF ORIGIN (% of hours) (JULY 2018) TAB.2

	Amazon	Netflix	NowTV
	% of total catalogue hours		
USA	60.8%	41.0%	56.6%
UK	8.4%	9.5%	23.8%
Canada	5.6%	4.3%	1.0%
Australia	4.5%	2.0%	0.7%
Italy	0.8%	0.4%	0.6%
Germany	1.2%	0.5%	0.5%
France	1.3%	1.5%	0.5%
China	0.3%	1.3%	0.6%
Japan	2.6%	3.8%	0.6%
Turkey	-	4.2%	0.2%
South Korea	0.8%	4.6%	-
India	3.5%	5.2%	-
Spain	0.4%	1.4%	-
Ireland	0.2%	0.2%	0.1%
Other inc non-assigned	9.7%	20.1%	14.8%
Total	100%	100%	100%
Total number of supplying countries	64	71	36

Sources: Ampere Analysis, Original and Exclusive coding is supplied by Ampere Analysis and may not correspond with other published sources.

••• BRITISH FILM INSTITUTE (BFI) GB

In terms of catalogue by country of origin, the catalogues for the three main UK services all contain a vast number of titles and hours of content, with content from many different producing countries. Netflix UK has the broadest mix with titles originating from over 71 different markets. Now TV, has the least diverse mix of supplying countries and, as a UK specific offer (versions exist in Ireland and Italy) it's library is clearly focused on content from English speaking markets. The more global nature of Amazon and in particular, Netflix is shown in the wide variety of content available from other markets around the world.

Viewing patterns

Across all three of the main SVoD platforms in the UK, around a quarter of all viewing is to film/movies with the majority of time spent viewing devoted to TV series/seasons including those commissioned or produced especially for the platform. Whilst this varies a little by service, with Now TV users spending slightly more of their total viewing time watching film and Netflix users spending slightly less, the pattern for all three is very similar. Whilst not shown here, this bears out the share of catalogue by programme type, where overall across all three services, a quarter of all available minutes are accounted for by film/movies, the remaining three quarters being TV series/seasons.

For most platforms, the catalogue contains a wide variety of film genres including family and documentary films as well as a range of Hollywood titles and UK independent movies. This is reflected in the choice of films viewed, which spans a broad mix with the top 20 viewed titles (Table 3) barely accounting for 10% of all movies watched across all platforms in 2017, indicating there is a long tail of viewing. In addition the top 20 list contains a range of different styles and age of content, with the top title, *The King's Speech* dating back to a 2011 release date alongside the most recent title, Bright, which given its exclusive Netflix release, 9 days before the year end, has achieved spectacular viewing to appear in 9th position for the entire calendar year.

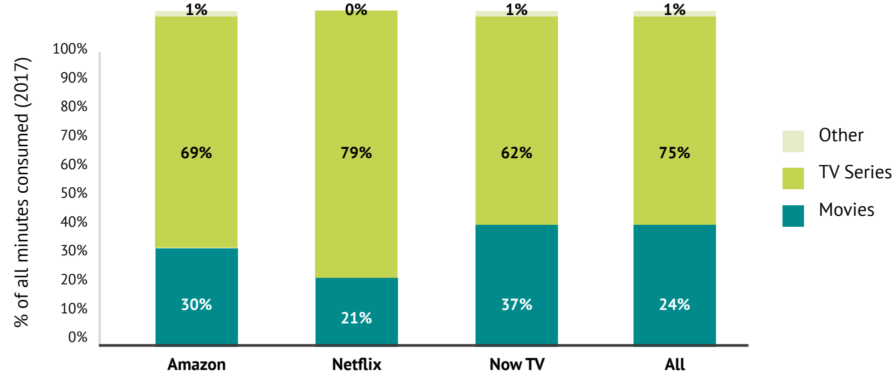
It is worth noting that a reason for *The King's Speech* becoming so popular in 2017, is that due to Netflix's recommendation algorithms, it may well have been linked through 'you may also like' recommendations for viewers of Netflix's original series, *The Crown*, which was the fourth most viewed title on Netflix overall for the whole year.

Conclusions

Since online streaming platforms were launched in the UK they have grown quickly from niche to mainstream video providers, now available in nearly half of all UK households. Their appeal is broad, providing large libraries of films and TV programmes with the convenience of watching anytime and on a range of different devices.

During this time, cinema audiences have remained buoyant, indicating that in the long term, the SVoD players may pose more of a threat to traditional television broadcasters than to the film world. What is also evident is that they provide opportunities for producers, distributors and viewers in providing a platform to make films available that viewers may have missed or wish to see again and also in which to provide new films and genres that meet today's audience needs for choice and convenience in their viewing of film.

••• SHARE OF VIEWING ON UK SVOD PLATFORMS (2017) FIG.4



Source: GfK, UK SVoD Tracker, Calendar 2017, All adults 18+ who use SVoD platforms at least once every two weeks, Base: All (9 906), Amazon (5 554), Netflix (7 698), Now TV (2 225)

••• TOP 20 FILMS VIEWED ON UK SVOD PLATFORMS AS A WHOLE (2017) TAB.3

Film title	% share of film minutes consumed	Year of release in the UK	Genre
The King's Speech	1.0%	2011	Drama
Transformers: Age of Extinction	0.7%	2014	Science fiction
London Has Fallen	0.7%	2016	Action
Fast & Furious 7	0.6%	2015	Action
Jurassic World	0.5%	2015	Science fiction
John Wick	0.5%	2014	Action
Fifty Shades of Grey	0.4%	2011	Drama
The BFG (Disney)	0.4%	2016	Family
Bright	0.4%	2017*	Fantasy
Avengers: Age of Ultron	0.4%	2015	Fantasy
Interstellar	0.4%	2014	Science fiction
The Hunger Games: Mockingjay - Part 2	0.4%	2015	Science fiction
Star Trek Into Darkness	0.3%	2013	Science fiction
Divergent	0.3%	2014	Science fiction
Moana	0.3%	2017	Family
The Girl on The Train	0.3%	2016	Drama
Minions	0.3%	2015	Family
Guardians of the Galaxy	0.3%	2014	Fantasy
Gone Girl	0.3%	2014	Drama
Star Wars: Episode VII - The Force Awakens	0.3%	2015	Science Fiction

*Released 22nd December 2017, Netflix original film

Source: GfK, UK SVoD Tracker, Calendar 2017, All adults 18+ who use SVoD platforms at least once every two weeks, Base: All (9 906), Amazon (5 554), Netflix (7 698), Now TV (2 225)

AT ••• AUSTRIAN FILM INSTITUTE

STREAMING AND THE DISINTEGRATION OF THE DISTRIBUTION CHAIN

A REPORT BY TRICONSULT ON BEHALF OF THE AUSTRIAN FILM INSTITUTE, DECEMBER 2017

How new technologies not only impact our way of consuming media but also the infrastructure behind it

Austrian film has rarely been as successful internationally as it is now. These successes are la result of the cooperation between the funding institutions, the film industry and partners in the media. The recent technological revolution implies a great challenge in order to maintain this balance in the future. The Austrian Film Institute therefore commissioned a study in order to facilitate the incorporation not only of recent, but especially of future market developments into their deliberations and actions.
According to the results, linear television will continue to be a heavily used medium for quite some time, albeit a trend with decreasing relevance. The behavioural trends of the coming generation demonstrate significant change. Media usage of TV remains high due to the increasing viewing time of aging users. TV tends to be used like radio.

The decreased importance of video rental stores having physical copies of films can be observed through the reduction in size of the entire DVD and Blu-Ray sector. In turn electronic forms of distribution are expanding, due to the fact that the Internet, with all its possibilities has gained in significance among consumers of all age groups. Only persons aged 70 years or older only infrequently use online media.
Video on demand and social media in particular, must be permanently taken into account. Here too the trend for slow adjustment is apparent. For the time being the use of streamed content is still dominated primarily by domestic providers. Catch up TV, the time-independent availability of linear television content, is used predominantly. Domestic media receive top rankings among content providers: 8 of the 12 best rated product offers came from Austrian media providers. Overall approximately a little over one million Austrians are estimated to watch video content online and rather infrequently.

But since Netflix entered the market video on demand user numbers are increasing markedly: from 620 000 users in the year 2014 to currently close to one million users; for the year 2022 more than 1.3 million users are forecast. In comparison with the amount of users of digitally broadcasted music, and even more in the area of online gaming, digital video use is still less popular. Nevertheless an annual revenue of EUR 72 million euros is predicted for the year 2022. This would represent an increase of 50% since 2017. And Netflix is not alone: Amazon Prime had acquired 30 million subscriptions by 2016, reaching a total of 40 million in 2017. When it comes to developing new formats, the market power of these two providers has to be recognised.
Streaming has to be compared with other electronic entertainment offers as well. In 2014 the video audience reached 620 000, 1.5 million used digitally distributed music and 2.7 million people used digital games. Within digital media, video and film will show disproportionate growth, and reach a new peak of 1.3 million users.

5

FILM FUNDING AND FINANCING

••• NETHERLANDS FILM FUND

••• SWISS FEDERAL OFFICE OF CULTURE

MONITORING THE EFFECTS OF THE NETHERLANDS FILM PRODUCTION INCENTIVE

Annually the Netherlands Film Fund commissions independent research to monitor the effects of its Netherlands Film Production Incentive. This research reflects the period from July 2014 (when the Incentive became operational) to December 2017. The Incentive offers a financial contribution in the form of a cash rebate up to 35% on the qualifying Dutch production costs.

What has been the effect on production spending in the Netherlands?

The Netherlands Production Incentive led to a total production spend of EUR 288.4 million. The Incentive has boosted local production and reinforced the international competitiveness of the Dutch film industry as a whole. Research results show a significant increase both in Dutch production spend and in international production activity coming to the Netherlands.

What amounts have been granted to how many films and series?

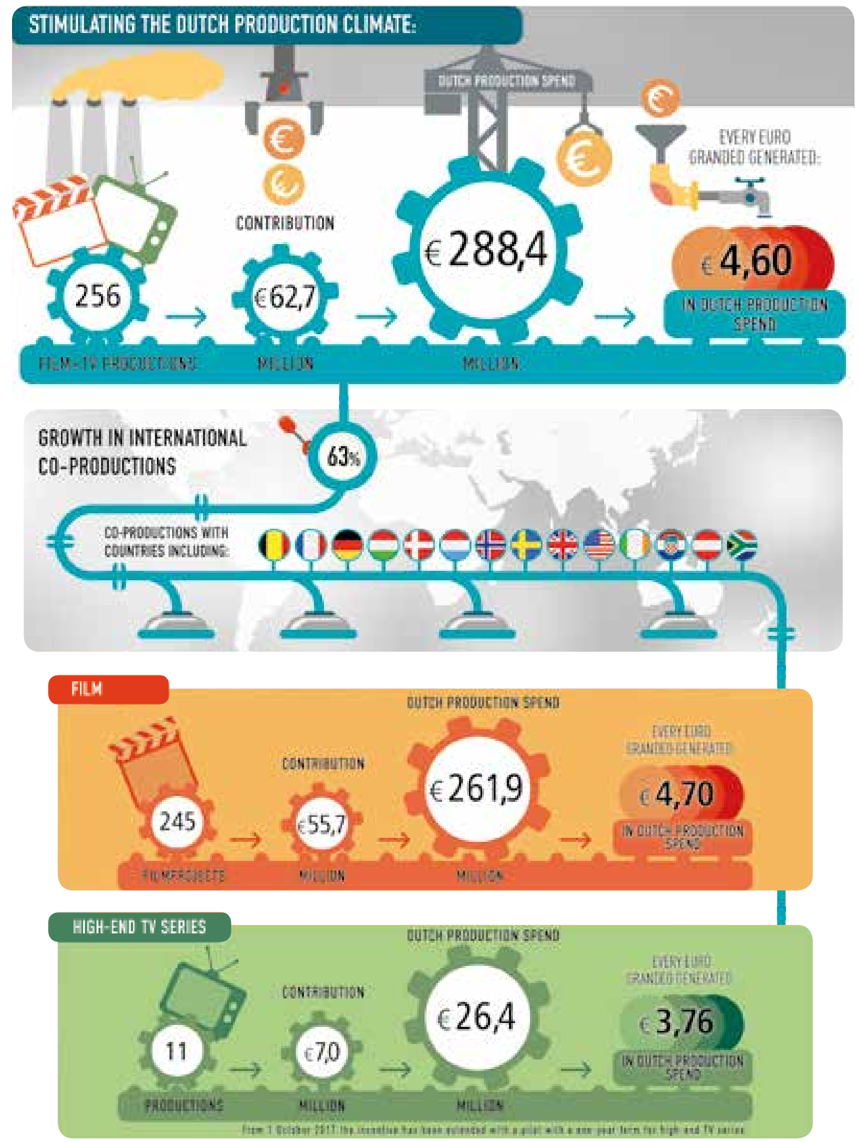
Films
Between July 2014 and December 2017, 245 film projects received EUR 55.7 million in the form of Production Incentive cash rebates. As a result, EUR 261.9 million was spent in the Netherlands on film productions. In total, 93 of the 245 film projects were 100% Dutch-funded projects (38%) and 152 were international co-productions (62%). The total spend on international co-productions in the Netherlands rose from EUR 38.8 million in 2014 to EUR 44.6 million in 2017. Significantly more money was invested in the Dutch film industry as a result of the scheme. Without the scheme, recipient producers would not have been expected to produce to this extent within the Netherlands alone.

High-end TV series
In the first application round for high-end TV series (December 2017) a total of 11 productions received a cash rebate of EUR 7.0 million. This generated a production spend in the Netherlands valued at EUR 26.4 million. Nine of these series were international co-productions with countries such as Belgium, Germany, Norway and the United States.

Cash rebates drive investment
The Netherlands Film Production Incentive supports films and series in the form of cash rebates on production costs that are both eligible and demonstrably spent on parties that are subject to Dutch taxation. A cash rebate of up to 35% can be obtained via a Dutch production company.

The aim of the Film Production Incentive is to stimulate production activity within the Dutch film industry and to put the Netherlands permanently on the map as a film and production location. As a result of the extra funds available, the wider international network and greater employment potential, it is expected that there will be continued investment in (post-)production companies and freelance activity in the sector, creating opportunities to develop talent and innovate.

A summary of the survey results is available here:
https://www.filmfonds.nl/page/6027/investment-up-in-dutch-film-industry



••• SWISS FEDERAL OFFICE OF CULTURE

THE FINANCING OF SWISS FILM PRODUCTION, 2012-2017

A comprehensive study by the Federal Office of Culture established an overview of the financing structure of film production in Switzerland. The focus was set on theatrical movies of all genres (fiction and documentary) and production type (national films and co-productions) having their principal shooting from 2012 to 2017.

On average, 65 films have been produced every year. While the number of fiction films was nearly stable at 20-30 films per year, the number of documentaries doubled within six years from 25 to 50 films per year. The high number of documentaries reflects their theatrical potential making up to 40% of the yearly box office of national films.

45% of the fiction films were national films, 25% majority and 30% minority co-productions. However, the number of minority co-productions has decreased over time by nearly the half.

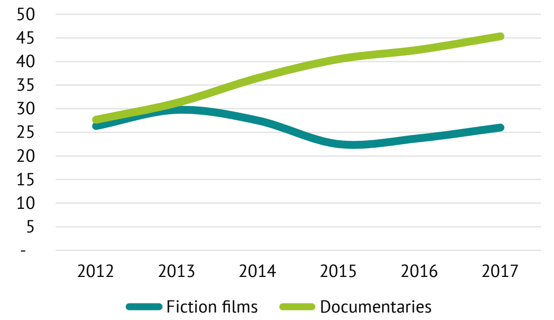
The median budget of fiction films was between CHF 1.5 and 2.5 million for national films and CHF 2.0 and 4.0 million for majority co-productions and did not have a clear tendency over time. However, the budgets of minority co-productions fell consistently from CHF 2.7 million to CHF 2.1 million. From 2015, the budgets of minority co-productions were lower than the budgets of majority co-productions. The median budget of documentaries rose steadily from CHF 0.44 million to CHF 0.53 million.

Female directors were clearly under-represented, producing 25% of the fiction films and 29% of the documentaries. However, there are no measurable differences of the median budgets of fiction films between female and male directors. The distribution of the budgets by gender was even among arthouse films. Female directors, however, were nearly absent for the few films with a budget over CHF 6 million.

There was however a systematic gender gap for documentaries. Median budgets of documentaries with female directors were regularly 20% or more lower than those of male directors.

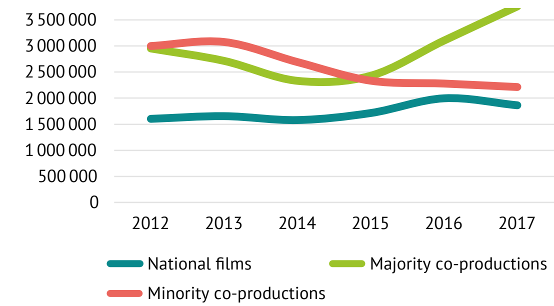
Multiple national languages are also a point of diversity to observe in Switzerland: about half of the films were in German, another third in French and the rest in Italian. The film languages determined also the main co-coproduction countries, which are Germany (47 co-productions in 6 years), France (39), Italy (18), Belgium (17) and Austria (6). The reciprocity was achieved for all countries except for Italy (3 majority vs. 16 minority co-productions). The global financing balance of co-production was nearly even over the entire period.

••• NUMBER OF FILMS PER YEAR



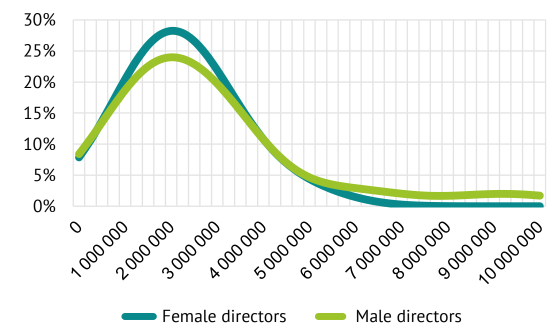
Source: Swiss Federal Office of Culture

••• MEDIAN BUDGET OF FICTION FILMS (CHF)



Source: Swiss Federal Office of Culture

••• FICTION FILM BUDGETS BY GENDER (CHF)



Source: Swiss Federal Office of Culture

The global production volume varied greatly between CHF 66 and 114 million following on the strong variation of minority co-productions. The global volume of national films and majority co-productions ranged between CHF 42 and 74 million.

The total Swiss financing of the film production rose from CHF 42 million (2012) to CHF 69 million (2017) in two steps. In 2012, the national automatic scheme Succès Cinéma was extended and the regional fund Cinéforom started. In 2016, PICS (tax rebate) was introduced.

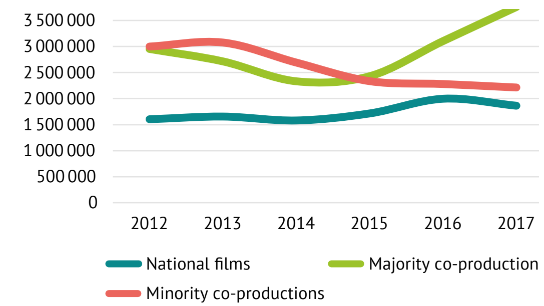
The Swiss financing system is based essentially on 3 funding sources. The national funding of FOC contributed with 31% to the Swiss financing. The regional funds added 26% and the national television SRG-SSR added 18%. While national funding and regional funding were even on national films (27% and 28% each), national funding was clearly the most important source for co-productions.

To successfully finance a film, a production company must get the support of all 3 funding sources. The median budgets of national and majority co-production fictions films were between CHF 1.9 and 2.6 million when they were supported by 3 funders. They were only between CHF 1.3 and 1.7 million when they were supported by only 2 funders. With only one funder, they were even lower, between CHF 0.5 and 1.3 million.

The study is available in German and French at https://www.bak.admin.ch/bak/de/home/kulturschaffen/film1/statistiken-und-publikationen---film/weitere-publikationen---film.html

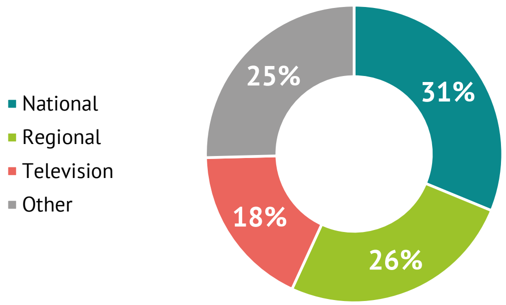
••• SWISS FEDERAL OFFICE OF CULTURE

••• DOCUMENTARY BUDGETS BY GENDER (CHF)



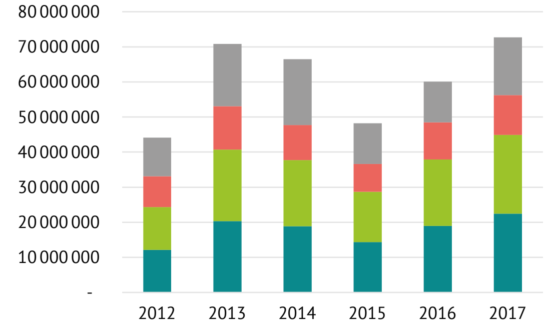
Source: Swiss Federal Office of Culture

••• SWISS FINANCING STRUCTURE



Source: Swiss Federal Office of Culture

••• SWISS FINANCING BY YEAR (CHF)



Source: Swiss Federal Office of Culture

6

ECONOMIC IMPACT

••• BRITISH FILM INSTITUTE (BFI)

••• NETHERLANDS FILM FUND

••• BRITISH FILM INSTITUTE (BFI) GB

THE ECONOMIC IMPACT OF FILM TAX RELIEF ON THE UK FILM SECTOR

The *Screen Business* study was commissioned by the BFI through its National Lottery supported Research and Statistics Fund and undertaken on behalf of BFI by Olsberg•SPI with Nordicity. The 2018 study updates the previous analysis published in 2015 and takes a refreshed approach to the calculation of economic contribution by applying HM Treasury Green Book 2018 principles and best practice economic modelling to estimate accurately the impact of the screen sector tax reliefs[1] to the economy, HM government, investment in infrastructure and on employment[2].

The screen sector tax reliefs work, in combination with the skills base and infrastructure, to make the UK a competitive and stable workplace to develop and produce screen sector content.

The 2018 study focuses on the economic impact of UK certified productions subject to the application of film tax relief (FTR) between 2009-2016 (i.e. it excludes any non UK productions or those not supported by the tax reliefs). The model takes a value chain approach which enables the measurement, not just of the economic activity stimulated by the development and production of content, but also its downstream impact on various distribution platforms. This includes the traditional film exhibition sector, to physical and digital purchase and rental as well as the various forms of video-on-demand including subscription video-on-demand.

Key findings

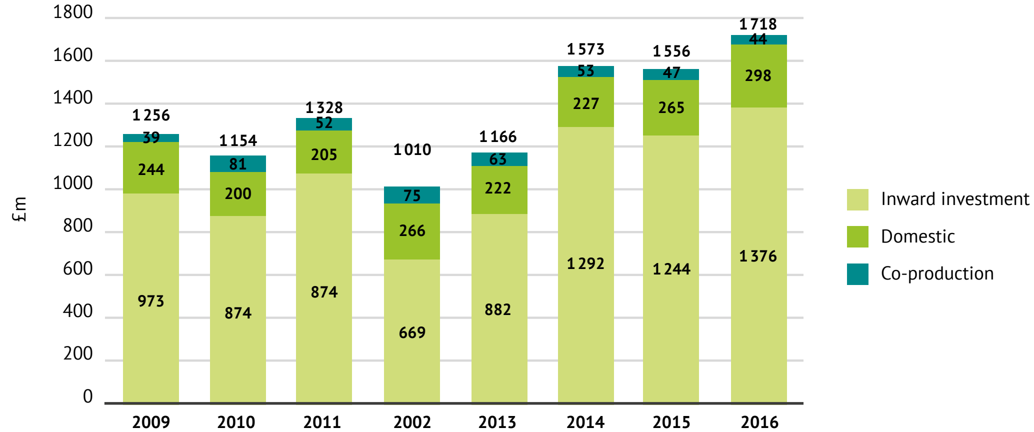
The UK film sector has experienced strong growth in recent years, with the introduction of FTR underpinning a large increase in overall production expenditure. According to BFI data (Chart 1) UK expenditure on feature films produced in the UK increased from GBP 1.26 billion in 2009 to a new high of GBP 1.72 billion in 2016[3], This included the production of a number of high-budget US Studio-backed projects filmed in the UK – including Star Wars: *The Last Jedi* – as well as UK independent productions such as *Victoria and Abdul* and *Breathe*.

As a result of such buoyant production activity, the core component of the UK film sector – i.e. UK-qualifying films – is a substantial employer, directly generating 28 250 FTEs throughout all parts of the value chain, and contributing GBP 2.459 billion to the UK's Gross Domestic Product (GDP) in 2016.

When the direct, indirect and induced impacts across the entire film sector value chain is considered, the economic contribution for the core component of the UK film sector in 2016 amounted to GBP 4.098 billion in GVA. This economic activity supported 60,240 FTEs. Including the spillover effects, the film sector generated a total economic contribution in 2016 of GBP 5.231 billion in GVA and 86 800 in FTEs.

1 The screen sector reliefs are the: film tax relief, high end television tax relief, children's television tax relief, video games tax relief and animation programmes tax relief.
2 The economic contribution of the UK's film, high-end TV and animation programming sectors, February 2015 which is available at https://www.bfi.org.uk/education-research/film-industry-statistics-research/reports/uk-film-economy
3 Statistical Yearbook 2018, BFI (2018), Total film expenditure continued to increase in 2017, with a total of £2.00 billion

••• PRODUCTION SPEND IN THE UK (2009-2016) CHART.1



Source: British Film Institute (BFI)

••• IMPACT OF FILM TAX RELIEF (2009-2016) TAB.1

	2009	2010	2011	2012	2013	2014	2015	2016
Total expenditures	1 256.0	1 155.0	1 328.0	1 010.0	1 166.4	1 572.5	1 556.0	1 718.0
Tax relief outlays[1]	213.5	196.4	225.8	171.7	198.3	305.1	311.2	343.6
Overall economic contribution GVA (£m)	2 861.6	2 810.0	3 292.8	2 731.7	3 277.6	3 867.7	4 478.4	5 231.0
Additional GVA (£m)	1 415.7	1 368.7	1 573.9	1 277.0	1 413.0	2 178.2	2 301.1	2 642.6
GVA ROI (£)[2]	**6.81**	**6.71**	**6.96**	**7.43**	**7.18**	**7.13**	**7.39**	**7.69**

1 Estimated at 20% of total expenditures
2 ROI is measured as pound returned per £1 of tax relief and takes into account the net impacts and tax relief outlays in the specific year

Sources: Olsberg•SPI/Nordicity estimates based on data from the BFI, Attentional, Ofcom, I.H.S., ABS, IDBR, BRES, CAA, Rentrak, CRTC, public financial reports, Official Charts Company, BASE, ASHE, ONS and HM Revenue

The economic contribution generates a strong return on investment (ROI) to HM Treasury from a fiscal perspective, even before the major cultural benefits of the sector are taken into account. The analysis shows that FTR-related expenditure provides a return of GBP 7.69 in GVA for each pound in relief granted. This generates GBP 3.92 in tax revenue for each pound in tax foregone through the granting of FTR[4].

The spillover benefits of FTR to the UK economy are significant, not least in attracting tourists, and positioning the UK in the international business market. Of the GBP 22.50 billion of tourism spending by overseas visitors to the UK in 2016, an estimated GBP 597 million can be attributed to film-induced tourism, generating GBP 628 million in GVA, and supporting 13 440 FTEs.

Merchandise sales related to film production in the UK generated an estimated GBP 295 million in revenues in the UK during 2016, while the brand promotion related to the UK's exposure through film productions is estimated to generate GBP 895 million in additional revenues for UK companies. This supported a further GBP 403 million in GVA, and 10 500 FTE jobs.

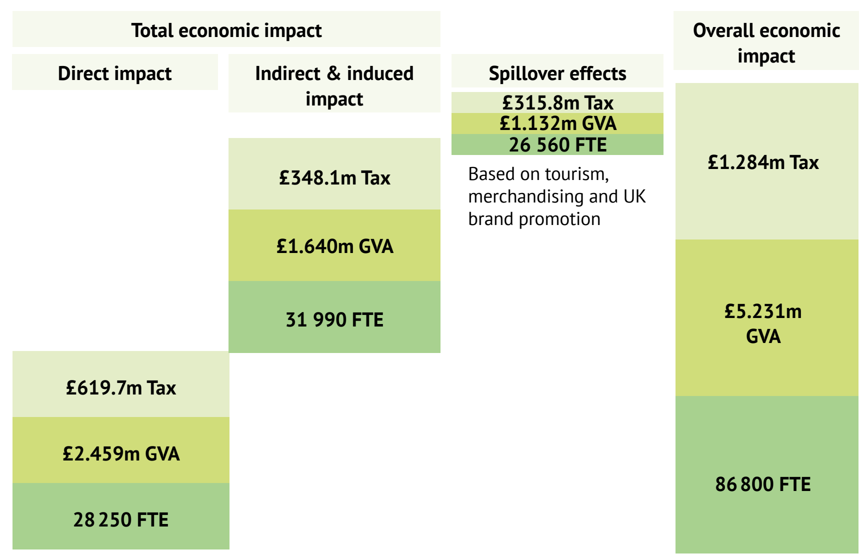
Methodology

- The analysis uses a bespoke economic impact model developed for this study, reflecting current best practice in economic impact modelling, aligning the study with current government evaluation methodology (HM Treasury Green Book 2018) and replacing the use of a strictly multiplier based approach which was used in the previous 2015 study.
- The new approach enables the analysis to model how each pound of production or development spend or sub-sector revenue ie. 'output', is used to acquire 'inputs' such as labour, capital investment or other suppliers. The input-output (I-O) approach ensures there is temporal consistency between production spend statistics and the economic contribution that this spend generates. It also ensures that input data are not double counted – a risk when multipliers are applied – and also that the base data is correctly validated.
- The estimates of FTE labour compensation and GVA generated by film production have been updated through the application of a separate 'Job Creation Model' commissioned by the BFI, and to be published as a sister study to this study.
- Additionality – the amount of spend related to the tax reliefs which would not have happened in their absence – has been updated on the basis of new primary research undertaken for this study, and for some parts of the value chain, such as film exhibition, has been reduced, revised or removed following feedback from HM Government.
- The value of the core components relate only to those generated by the FTR and do not represent all content produced, licensed, sold, viewed or exhibited in the UK.

Conclusions

While the global film sector is undergoing a period of significant change – not least in the shifting links between content and audiences – the UK remains a vibrant international hub, with its economic impact in 2016 reaching an all-time high. In a highly competitive market, the UK has proven ability to create strong, innovative products that attain success, acclaim, and attention on a global scale. For international investors and producers, it continues to be an attractive location to produce highly ambitious work. The introduction of FTR has contributed to this highly significant growth in film making in the UK, supporting skills development, notably in the area of visual effects and animation, investment in infrastructure – digital studios and production facilities – and a highly significant contribution to the UK economy in generating employment, GVA and tax revenue. Not only does the existence of the tax reliefs support the creation of jobs and employment, investment in training and infrastructure and innovation in creativity but it also stimulates other benefits such as merchandising, tourism, exports and UK brand promotion. The trends show that success breeds success with both production investment and the return that this brings to the economy showing impressive growth in the period covered in the report, with positive signs in Official Statistics released for 2017 that this is likely to continue.

••• ECONOMIC IMPACT 2016 – DETAILED BREAKDOWN SHOWING DIRECT, INDIRECT AND INDUCED IMPACT AND SPILLOVER EFFECTS FIG.1



Sources: Olsberg•SPI/Nordicity estimates based on data from the BFI, Attentional, Ofcom, I.H.S., ABS, IDBR, BRES, CAA, Rentrak, CRTC, public financial reports, Official Charts Company, BASE, ASHE, ONS and HM Revenue

4 This number is not comparable with that found in the 2015 Study – this reflects the change to an input-output methodology, as opposed to the multipliers used before, which were calculated in 2005 and no longer reflect the composition of the UK's film sector.

THE EFFECTS OF FILM PRODUCTION ON OTHER CREATIVE INDUSTRIES

A study conducted in Australia, Denmark, the Netherlands and Sweden, identifies the Creative Industries ripple effect of film production. Carried out by Olsberg•SPI, this research quantifies a previously unmeasured positive economic impact derived from feature film and television drama production expenditure.

The *Creative Industries Ripple Effect*

This report looks at an additional facet of the economic benefits that extends beyond the normal multiplier impacts. This is defined as the *Creative Industries Ripple Effect*, and identifies the additional economic value derived from analysing production expenditure according to the industry into which the money is spent. These are called horizontal impacts.
Producing a film or television drama involves drawing on a wide range of personnel, skills, services, facilities and infrastructure from other creative industries. Television drama productions have become an increasingly important sector, and the scale of their manufacturing processes are ever more similar to those for films, although the industry does operate largely on a separate economic basis.

What is the impact of film and TV drama expenditure?

This study analyses the impacts of such expenditure in these other sectors, and shows the benefits across the creative industries that are derived in addition to the standard, accepted economic impacts. Production sectors function as potent engines of growth for the creative industries as a whole. The results demonstrate that film and television drama productions drive a significant amount of activity in the other creative industries. The analysis of a group of sample productions shows that between 38% (film) and 47% (television drama) of the expenditure impacts other creative industries, as illustrated in Figure 1.

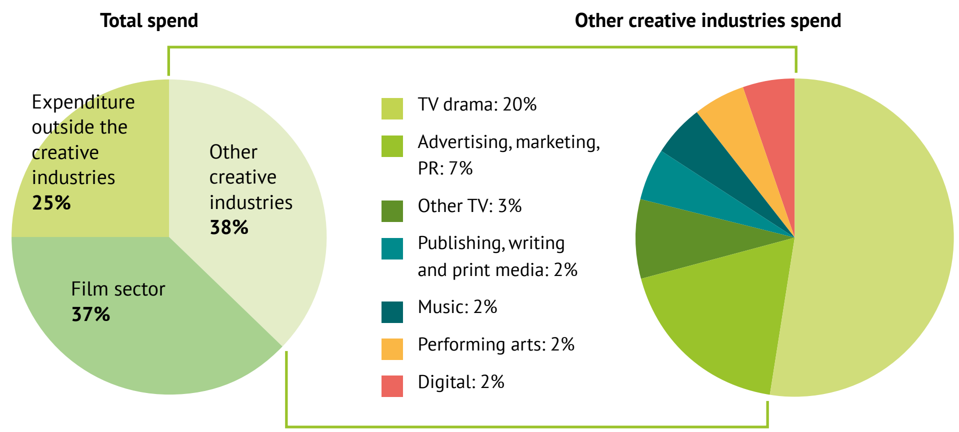
The *Creative Industries'* phenomenon

Creative industries represent a powerful force for economic growth and cultural wellbeing. Hence, they are increasingly becoming an important target for public policy in countries and regions where the wide range of benefits they deliver are being recognised. Instances of this are found in the UK and in Australia, Denmark, the Netherlands and Sweden.

Scope

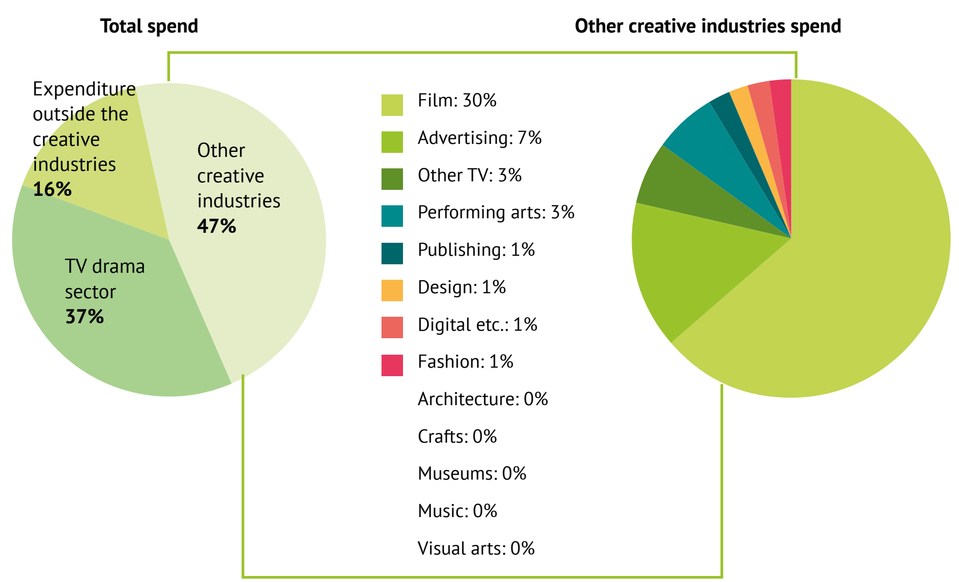
In order to identify the impact of the film and television sectors on these other creative industries, the following sectors are most commonly classified within this definition. These sectors – and their related sub-sectors – are the ones included in the analysis. The main focus was economic activity within two major categories of creative industry: film and television drama.

••• THE CREATIVE INDUSTRIES RIPPLE EFFECT – FILM PRODUCTIONS FIG.1



Source: Olsberg•SPI

••• THE CREATIVE INDUSTRIES RIPPLE EFFECT - TELEVISION DRAMA PRODUCTIONS FIG.2



Source: Olsberg•SPI

NL ••• NETHERLANDS FILM FUND

This leaves 12 other creative industries for our sample to have been affected – listed roughly in order of relevance to the study (Figure 3):

••• THE COMPOSITION OF THE CREATIVE INDUSTRIES FIG.3

Film		
TV drama		
Other TV	Publishing	Advertising, marketing and PR
Fashion and textiles	Music	Visual arts
Performing arts	Digital	Design
Architecture	Crafts	Museums, galleries, libraries and archives

Source: Olsberg•SPI

Research methodology

The research method involved deep analysis of a representative sample of independent film and television drama projects from different countries, to find out how the expenditure that these projects incurred impacted other creative industries. In summary, the phases of the research included:

- A literature review of all pertinent data and reports.
- Exploratory consultations with producers and stakeholders.
- Creating the final methodology for the analysis.
- Testing this with a Proof of Concept project.
- Confirming the sponsors.
- Researching and identifying potential productions from the sponsors' countries and then selecting a sample of representative films and television dramas.
- Conducting the budget and production analyses.
- Analysing all findings and assembling all evidence.

The research was sponsored by Copenhagen Film Fund, Film i Väst (Sweden), the Netherlands Film Fund and Screenwest Australia.
The full study *Film and Creative Economy: How Film and Television Drama Production Grow the Creative Industries* is available here: https://www.filmfonds.nl/nl/page/5004/olsberg-spi-sep-2017

7

GENDER AND DIVERSITY

- ••• GERMAN FEDERAL FILM BOARD (FFA)
- ••• BRITISH FILM INSTITUTE (BFI)
- ••• SWEDISH FILM INSTITUTE
- ••• SLOVENIAN FILM CENTRE

••• GERMAN FEDERAL FILM BOARD (FFA) DE

A CLOSER LOOK AT GENDER IN THE GERMAN FILM INDUSTRY

FFA publishes facts about gender distribution of film professionals in key positions

From studies to film production: what is the status of equality between women and men in the German film industry? Concrete answers and data have been provided by the German Federal Film Board (FFA) for the first time. The findings of the *Gender and Film* study were presented to the public during the Berlinale in 2017.
The FFA reveals data, parameters and causes of gender distribution for the very first time – and clearly illustrates the kind of challenges facing women and men in the film industry. Personal interviews and an extensive online survey with film professionals from the key sectors – direction, screenplay, production, cinematography, production design, costume, editing and sound – also give a broad and representative range of opinions about working conditions, stereotyping and reasons for gender distribution.

The study's central findings are:

- There are more men than women working in most of the key creative positions of film productions: 72% of the feature films are made by male directors, 23% by female directors, and 5% by mixed-sex teams. 60% of screenplays are written by male authors, 23% by female authors, and 16% by mixed-sex teams. In the area of production, 58% of the films are produced by men, 14% by women and 28% by mixed-sex teams. The area of costume design with 86% of the positions being taken by women is the only one where men are underrepresented.
- The proportion of women at film schools averages 40%. Only 23% of the female graduates in the areas of direction and screenwriting are later actively involved in the film industry.
- Industry-specific challenges and barriers exist for both women and men, but have a greater impact on women. In particular, this includes risk aversion – such as the recourse to tried-and-tested networks, the inability to reconcile family and working life, the saturation of the market, and precarious working conditions such as job insecurity.
- Men and women both see themselves confronted with stereotyping in the film industry. While men are invariably linked with success-related attributes, women are predominantly associated with characteristics that declare they are unsuitable for management positions.

"The facts are now available", says Christine Berg, deputy director and head of the funding division at the FFA. "There is a female potential in our film industry that is not being sufficiently seen, supported or called for. We must unearth this treasure so as to further intensify the quality of German cinema. That is the only way that cinema can then be a true reflection of our society".
The FFA study *Gender and Film – Parameters and Causes of Gender Distribution of Film Professionals* in Germany was undertaken by the Fraunhofer Center for Responsible Research and Innovation (CeRRI) together with Frau Prof. Dr. Elizabeth Prommer and can be downloaded from the FFA's website at www.ffa.de (in German).

••• TAKEN AS WHOLE, THE GENDER BALANCE IN FEATURE FILMS IS UNEVEN - MEN ARE OFTEN OVERREPRESENTED

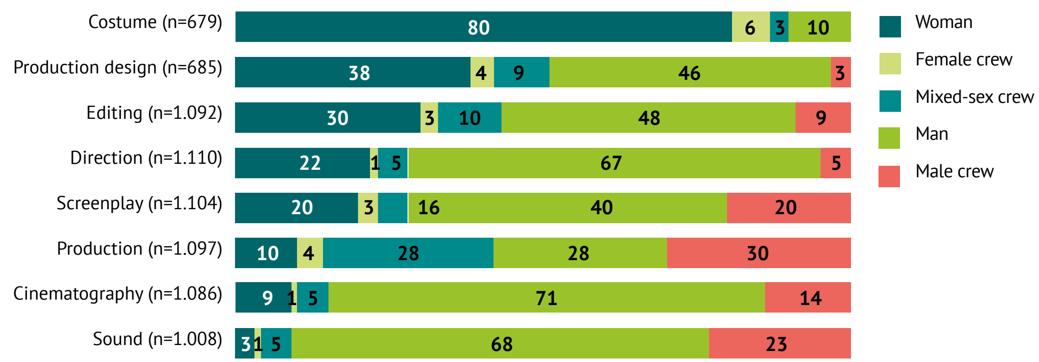


Figure: All of the films according to sex and key creative position (2011-2015, figures in %). Base: all films; N=1,110; deviations from 100% possible due to rounding up. The different sample sizes in the areas of costume and production are due to the fact that these positions seldom exist in documentaries. The line function could not be established for diverging sample sizes in the other positions.

Source: German Federal Film Board (FFA)

••• FEMALE FILM PROFESSIONALS HAVE A POTENTIAL THAT IS NOT BEING REFLECTED IN THE MARKET

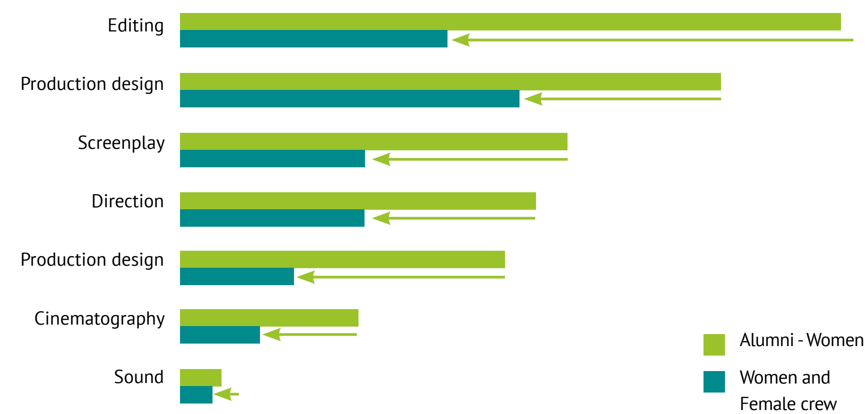


Figure: Comparison of female alumni (graduation between 1995-2000) with the current proportion of women in key creative positions (figures in %). Films by mixed-sex crews were not considered.

Source: German Federal Film Board (FFA)

••• BRITISH FILM INSTITUTE (BFI) GB

WORKFORCE DIVERSITY IN THE UK SCREEN SECTOR, 2012-2016. WHAT DOES THE EVIDENCE TELL US?

Why this research was commissioned

Across the screen sectors and academia there have been a number of diversity research projects focusing on the screen sectors which have recently been undertaken. These projects varied in terms of the different aspects of diversity they place their emphasis on, their scale and aims and objectives. However, what was missing from the research was an understanding of the cross cutting themes and multiple effects of lack of diversity in the screen sectors, and how these affected individuals with protected characteristics working in the industry. Because of this, the external advisory group of the BFI's National-Lottery funded Research and Statistics Fund felt that a key priority project should be an evidence review which pulled together the findings across all these diversity projects. The evidence review was undertaken by the CAMEo Research Institute for Cultural and Media Economies at the University of Leicester. The review was organised around three main review questions:

- What is known about the current state of workforce diversity in the UK screen sectors?
- What evidence exists on interventions to increase workforce diversity in the UK screen sectors?
- What knowledge exists regarding the evidence case for diversity in the UK screen sectors?

Approach

The evidence review considered all UK-focused research published in 2012-2016 investigating workforce diversity in the screen sector. 2012 marked the publication of the UK Film Policy Review, an independent review chaired by Lord Chris Smith on behalf of the Department for Culture, Media and Sport (DCMS). Workforce diversity was analysed in relation to the nine characteristics protected under the Equality Act 2010 with the addition of two further characteristics that were deemed to be relevant to understanding screen sector workforce diversity: social class and location. For this review, the screen sector was defined as comprising film, television, video games, animation and visual effects.

Stage 1 consisted of a rapid evidence review of dedicated research publications (i.e. from academic, government and industry sources) with a primary focus upon workforce issues in the UK screen sector, a primary focus on one or more diversity characteristics and published in English from 2012 to 2016. After screening for quality and relevance for the review questions, 80 research publications were carried forward as the evidence base into Stage 2.

Stage 2 was an in-depth quality assessment of the identified research followed by a thematic synthesis. Each of the 80 research publications was assigned a score for (a) its scope, i.e. how large a share of the UK screen sector it was applicable to, and (b) its relevance for answering the review questions. A total of 63 items were included in the thematic synthesis which is presented in the report.

Findings

The report presents the most complete picture to-date of what is known about the screen sector workforce. The key findings are:

- Obtaining a nationally representative picture of workforce diversity from the available data sources is a challenge due to the different sector definitions, categories and methodologies employed by public and industry bodies (Creative Skillset, DCMS, ONS).
- While there are good sources of data on the demographic composition of some sectors (particularly film and television), little is known about workforce diversity in others (animation, video games and visual effects).
- Research has predominantly focused upon issues surrounding gender workforce representation, and to a lesser extent ethnicity and disability. Comparatively little is known about other key characteristics such as social class, sexual orientation, location and religion.
- Women, disabled workers, workers from working class and ethnic minority backgrounds, carers and individuals living outside London/South-East England are significantly less likely to establish and maintain a career in the UK screen sector.
- Many workers have to overcome more than one barrier to workforce participation, e.g. women from working class backgrounds or those with caring responsibilities.
- Particularly powerful obstacles to workforce participation is the screen sector's reliance on personal networks for allocating work and business opportunities; a 'white, male, middle class'-dominated industry culture; working conditions characterised by long working hours, flexible and mobile working and income insecurities; and an underlying acceptance of these conditions as diversity-unfriendly but necessary and unchangeable.
- Challenges of reconciling childcare responsibilities with intensive, flexible working hours and lack of access to maternity leave schemes make workforce participation and advancement particularly difficult for many mothers.
- There is some evidence that interventions in the form of training schemes and mentorship programmes can be successful in providing entry routes into the screen sector workforce for limited numbers of women, BAME people and disabled people. There is, however, little to suggest that these interventions have to date had any success at addressing the underlying causes of inequality or the existence of barriers to equal participation.
- Understanding the effects of different kinds of intervention designed to increase workforce diversity is hampered by a lack of robust, independent evaluation.
- Within the screen sector there is a strong perception that barriers to greater workforce diversity are a 'lost opportunity', for companies, for creative teams, and for audiences but we do not articulate well enough precisely what benefits greater workforce diversity might bring.
- The evidence for positive business benefits from increased diversity is lacking and advocates are compelled to rely upon anecdotes.

••• SWEDISH FILM INSTITUTE SE

THE HISTORY AND FUTURE OF GENDER EQUALITY IN SWEDISH FILM

An active internal process shows that gender equality is possible with a systematic approach and that gender equality can be a tool for raising quality. Swedish film has gone from 17% female directors in 1999 to equal representation, and with a higher quality in films.

The assignment: improving the conditions for female filmmakers

The Swedish film industry has had a unique framework with the Film Agreement, drawn up in the 1960s by Harry Schein. It was an agreement between the film industry and the government for greater influence and closer cooperation, with the aim of supporting new Swedish films. A 10% fee was added to each cinema ticket sold which went directly to Swedish film production; in addition, the government added resources. On 1st January 2017 the Film Agreement ended, and the Swedish Film Institute is now a fully state-owned organisation.

Sweden has a history of equality reforms, many of them dating from the 1970s, such as gender-neutral parental pay, child care, anti-discrimination legislature and so on. In the year 2000, gender equality was, for the first time, formally included in an assignment to the Film Institute, with the government urging the Film Institute to “improve the conditions for women filmmakers”. In the previous year, 1999, the proportion of feature-length fiction films with funding with women as directors was only 17%, as screenwriters 19% and as producers 25%.

The assignment was even more clearly defined when included in the 2006 Film Agreement. There was however a note that the funding allocation should always primarily strive to ensure that film projects awarded funding should be of high quality. The work continued, but gender equality always came second to prioritising higher quality in the films.

This problem was highlighted when current *CEO*, Anna Serner, first came to the Film Institute in 2011, and the Film Institute altered the focus of its gender equality work. The aim of equal gender distribution in funding went from being just a matter of fairness to, in fact, being one of quality. In the last Film Agreement, from 2013, the assignment is even clearer: “The parties agree to work to increase gender equality in the area of film. The objective is that at the end of the period covered by the agreement, advance production funding, counted in the number of projects receiving funding, will have been divided equally between women and men in the categories of screenwriter, producer and director”.

The Film Institute’s assignment was to achieve an equal gender distribution, meaning 50/50, across the period of the agreement. The Film Institute would not use quotas, but if the distribution at the intended end of the agreement period in 2016 had not achieved the goal, the Film Institute would seriously have considered using a quota system. Before 2016 however, the goal of an equal distribution of funding between men and women was achieved.

The current assignment, known as the *Act on Film*, contains seven points for the Swedish Film Institute to follow. One of these relates to work on gender equality and diversity.

Action plans for equality

With requirements on even gender distribution, the strategy for achieving that goal became creating a clear action plan for the Swedish Film Institute. The action plan for greater gender equality which was produced in 2013 was full of measures which aimed to disprove the myths about women as being substandard filmmakers, as well as other myths about the industry.

The actions in the plan were answers to five arguments:

1. There are no competent women.
   – The solution in the action plan was to set up a website, *Nordic Women in Film*, presenting all women from the beginning of film history in the key positions of cinematographer, director, screenwriter, producer and editor.
2. Women filmmakers do not have enough experience.
   – The task in the action plan was the strategy training course *Moviement*, where women directors were informed about gender structures, and exchanged knowledge and experience with each other.
3. Not that many women want to be directors.
   – The actions are to carry out studies at schools to find out what is needed for women’s dreams to be taken as seriously as those of men; development funds are being put into the regions in Sweden.
4. Counting decreases quality.
   – The action plan shows that a quota system is not necessary since counting generates new awareness.
5. The powers in the industry do not want change.
   – The action plan initiates a research study alongside the industry to create involvement.

Counting

One of the most important points in the action plan is about counting, and it has become an important tool internally. All decision-makers at the Swedish Film Institute have counting as an important basis for their decisions, whether it relates to a featured title for the Cinematheque, which films to distribute to schools with study guides, or which analogue films from Sweden’s film history should be digitised.

Continued initiatives and a new action plan, the current one, came along in 2016: *Goal 2020: Gender equality in film production, both in front of and behind the camera.* The plan contains four priority steps:

1. More women in more major productions;
2. Increased visibility of women filmmakers, via the Nordic Women in Film site;
3. Continued counting, behind and in front of the camera;
4. Increased knowledge about gender and diversity through seminars and lectures.

••• SWEDISH FILM INSTITUTE SE

Our work is producing results

Assessments and analyses of seminars and funding reveal that the efforts are having an effect. Much of the work on gender equality has been incorporated into the day-to-day operations, and the results reflect this.

Equality in funding

In 2016 the Film Institute managed to achieve the goal of equal gender distribution for different types of funding. Looking at all three years in the latest Film Agreement period, it is even clearer that all funding types have been distributed equally between men and women. Virtually all funding has gender distribution where women are awarded between 45% and 60% of the funding.

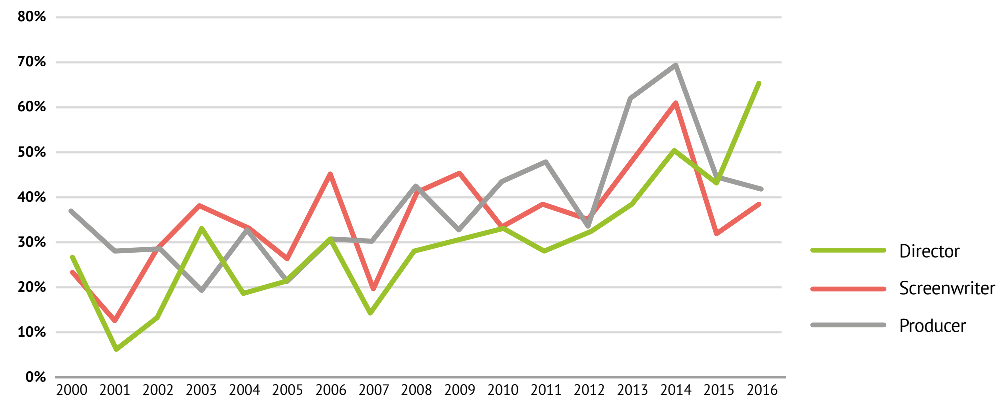
This is additionally evident, looking at the percentage of women in these three positions with funding and without. The percentages of women in the roles of director, producer and screenwriter for feature-length fiction films released during the past three agreement periods (2000–2005, 2006–2012 and 2013–2016) have, without exception, always been more equally distributed for films with funding from the Film Institute than those without. The trend for films without funding is also developing positively, especially for producers, although not at the same pace as for films with funding. During the period 2006–2012, the Film Institute made 29% of its funding decisions in favour of women directors. In 2013–2016 this increased to 49%. So even though funding varies year by year, it is clear that gender distribution over the past five years has begun moving in the right direction.

Critical acclaim and international success

Swedish film critics are very positive towards the films being produced, and Swedish films have never before achieved such high average review ratings. The three titles with the highest average review rating between 2007 and September 2017 were all directed by women: *Sámi Blood* (*Sameblod*, 2017) by Amanda Kernell with 4.40, *The Reunion* (*Återträffen*, 2013) by Anna Odell with an average of 4.33 and *She Monkeys* (*Apflickorna*, 2011) by Lisa Aschan with 4.21. Films with production funding by a film commissioner achieve on average a higher average review rating index than those without funding: 3.16 against 2.30. Films where the director, screenwriter and producer are all mainly women have a higher average review rating index than titles with a majority of men: 3.12 against 2.85. Films where women are in the majority in the roles of screenwriter, director and producer have a higher rating index than those with men in these roles. The average rating also has a wider spread for films made by men.

Several Swedish women directors have taken part in international film festivals with great success. Amanda Kernell's *Sámi Blood* (*Sameblod*) has won several prizes, in Toronto in 2017 Niki Lindroth von Bahr won the short film award for *The Burden* (*Min börda*), and in 2015 Beata Gårdeler and Sanna Lenken won Crystal Bears at the Berlin Film Festival for *Flocking* (*Flocken*) and *My Skinny Sister* (*Min lilla syster*).

••• PROPORTION OF FULL-LENGTH FICTION FILMS WITH FUNDING WITH A WOMAN IN A KEY ROLE (2000-2016)



Source: Swedish Film Institute

••• PROPORTION OF FEATURE-LENGTH FICTION FILMS WITH A WOMAN IN A KEY ROLE WITH OR WITHOUT FUNDING (2000-2016)

Source: Swedish Film Institute

The Guldbagge Awards are also a good reflection of the results in a wider perspective. Held annually, it acknowledges films and filmmakers who over the past year produced films and stories of high quality, reached large audiences, or both. It reflects the concrete results of initiatives taken, including young female filmmakers being given the chance to establish themselves in the industry, receiving funding for a film idea, seeing it through and then winning awards – all to a greater extent than before. The years 2011, 2012 and 2013 stand out particularly, when films directed by women won the Guldbagge Award for Best Film: Gabriela Pichler, Lisa Aschan and Anna Odell.

Future challenges

Sweden now has an equal distribution of film funding between men and women. But several gender equality challenges remain; for instance, women tend to work on projects with smaller budgets than their male counterparts. Furthermore, there are still reports of sexist occurrences and comments in the industry, as was especially evident in the *#metoo* debate of autumn 2017. A lot of work remains to be done for gender equality in front of the camera, behind the camera, and in equal terms for filmmakers.

There are different value systems that need to be united, where quality should not be synonymous with men, but quality in film should be independent of who has the opportunity to make it. Because we do not believe that the structures have changed in a way that's sustainable in the long term.

We believe in change in three pillars: more women in key positions; more women will lead to better conditions for women in the film industry; and more women will help guarantee diversity in stories and perspectives being portrayed on the cinema screen. We believe that this is done for the sake of the films – and for the audience.

GENDER EQUALITY IN THE SLOVENIAN FILM INDUSTRY: FACTS AND FIGURES

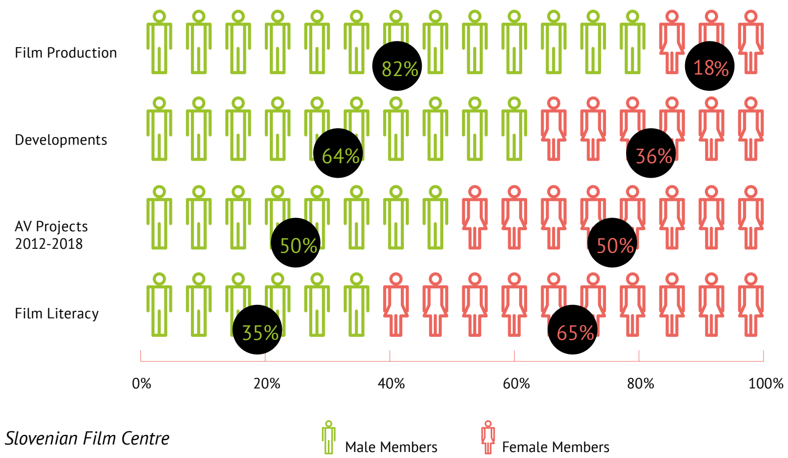
When considering feature films supported by the Slovenian Film Centre in the period 2011-2017, some fluctuations in the share of films by female authors can be observed. In certain years not one single feature film by female directors was supported. A trend for a decreasing percentage in the number of female co-authors applying for project development in recent years has been identified (from 7 applicants in 2011 to a single applicant in both 2016 and 2017). One half of all supported feature films directed by women has been covered by the public tender for feature debuts (4), which provides for a lower amount of co-financing per project. The percentages of supported feature films by female directors in the individual periods of the Slovenian Film Fund (1995–2010, 11%) and the Slovenian Film Centre (2011–2017, 12.7%) are well below the EWA European average, which amounts to 21% for the period between 2006 and 2013[1].

Slovenian film production during the Yugoslav period has not resulted in even one single female director. Only as recently as 2002, in the independent state of Slovenia did the first two women finally shoot two fiction features: Maja Weiss (*Guardian of the Frontier*) and Hanna Slak (*Blind Spot*). Their films with cinematographic distribution were made with the support of what was then the Slovenian Film Fund. To date, a number of films by female directors have been produced with national support: eight fiction feature films (by Maja Weiss, Hanna Slak, Janja Glogovac, Dafne Jemeršić and Sonja Prosenc), two full-length experimental films by Ema Kugler and a documentary feature by Petra Seliškar.

1 According to the research conducted by the EWA - European Women's Audiovisual Network, which includes seven countries (Italy, Great Britain, Austria, Sweden, Croatia, Germany, France).

••• EXPERT COMMISSIONS

Expert Commissions (2011-2017)



Source: Slovenian Film Centre

••• GENDER BREAKDOWN: FEATURE FILMS*

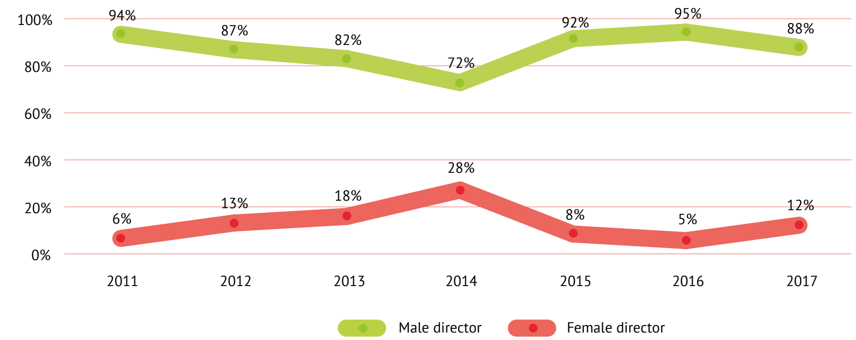
	1995-2010	2011-2017
Number of feature films supported	83	48
Feature films by female directors	9	4
Feature films by male directors	72	44
Feature films by mixed gender directors	2	0
Percentage of feature films by female directors	11%	8%
Percentage of feature films by male directors	87%	92%
Percentage of feature films by mixed gender directors	2%	0%

	2011	2012	2013	2014	2015	2016	2017
Number of feature films supported	6	6	6	11	5	8	6
Feature films by female directors	0	0	1	2	1	0	0
Feature films by male directors	6	6	5	9	4	8	6
Percentage of feature films by female directors	0	0	17%	18%	20%	0	0
Percentage of feature films by male directors	100%	100%	83%	82%	80%	100%	100%

*The data does not include full-length feature films

Source: Slovenian Film Centre

••• THE PROPORTION OF APPLICATIONS FOR FEATURE FILM PRODUCTION BY GENDER (2011-2017)



Source: Slovenian Film Centre

••• GENDER BREAKDOWN: DEBUT FEATURE FILMS

15 Number of debut feature films supported

11 Number of debut feature films with male director supported

4 Number of debut feature films with female director supported

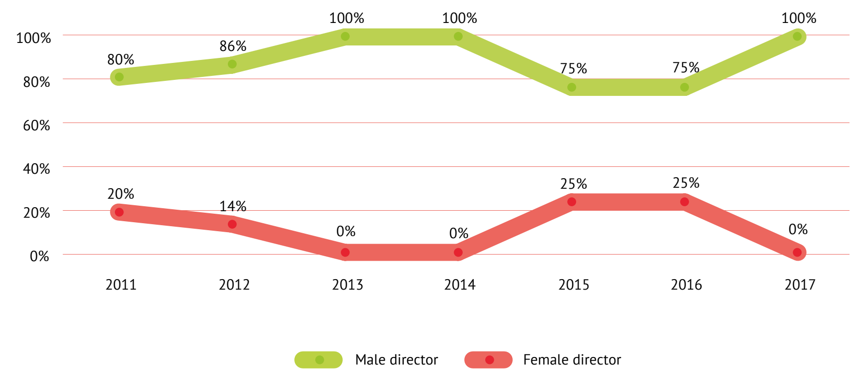
27% Percentage of debut feature films with female director supported

73% Percentage of debut feature films with male director supported

2011 — 2017

Source: Slovenian Film Centre

••• THE PROPORTION OF APPLICATIONS FOR DEBUT FEATURE FILM PRODUCTION BY GENDER (2011-2017)



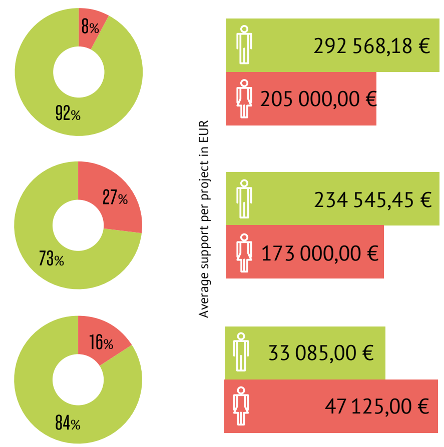
Source: Slovenian Film Centre

••• GENDER BREAKDOWN

FEATURE FILMS
Share of supported feature films for film production by gender (2011-2017)

DEBUT FEATURE FILMS
Share of supported debut feature films by gender (2011-2017)

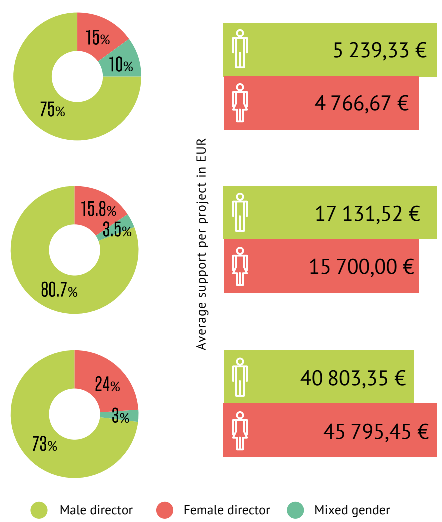
SHORT FILMS
Share of supported short films by gender (2011-2017)



FEATURE FILMS
Share of supported script development projects by gender (2011-2017)

PROJECT DEVELOPMENT
Share of supported project developments by gender (2011-2017)

AV PROJECTS
Share of supported AV projects by gender (2011-2017)

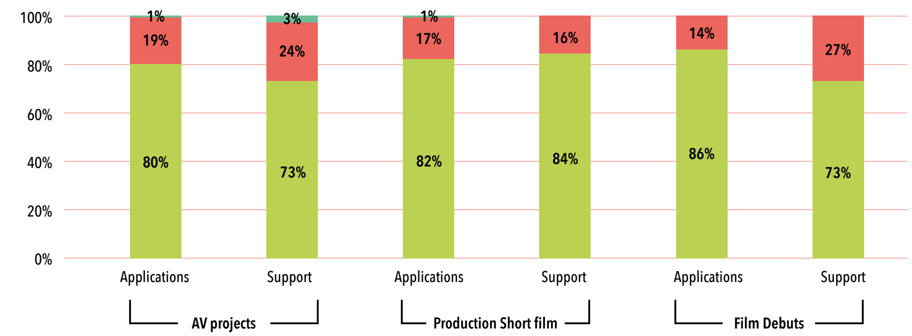


Source: Slovenian Film Centre

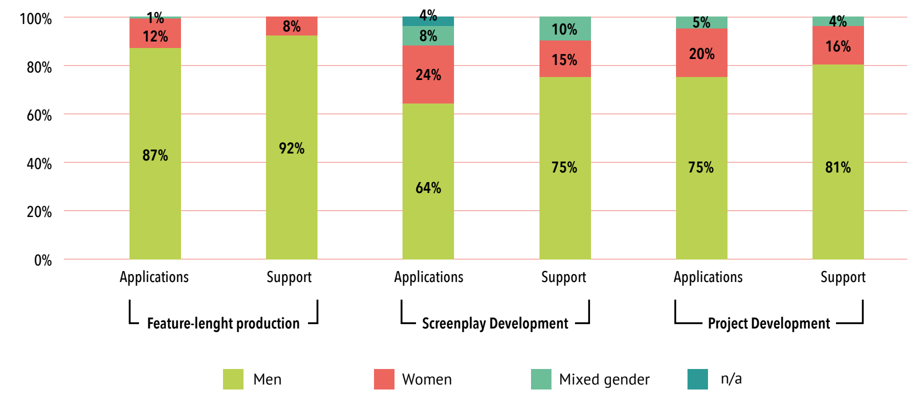
••• APPLICATIONS

THE PROPORTION OF APPLICATIONS AND SUPPORTED PROJECTS BY GENDER IN THE 2011–2017 PERIOD

The proportion of applications and supported projects (2011-2017)



Share of applications and supported projects (2011-2017)



Source: Slovenian Film Centre

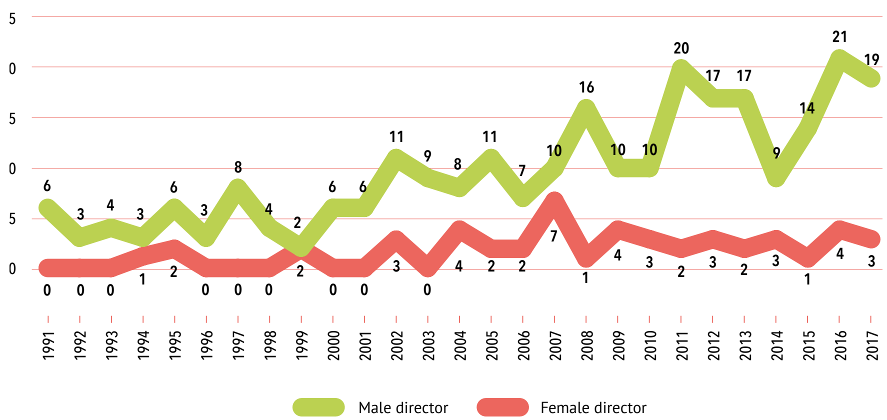
SI ••• SLOVENIAN FILM CENTRE

••• FILM BUDGETS (2011-2017)

Fiction feature films releases 2011-2017	Total	Male directors	Female directors
Volume of films	33	30	3
In %	100%	91%	9%
Total budgets	30 769 070 €	29 061 671 €	1 707 399 €
Average budget	932 396 €	968 722 €	569 133 €
Total support	14 139 218 €	13 396 984 €	742 234 €
Average support	441 850 €	446 566 €	247 411 €
Minimum budget	81 531 €	81 531 €	455 462 €
Maximum budget	2 393 460 €	2 393 460 €	761 500 €

Source: Slovenian Film Centre

••• ALL FEATURE FILMS (1991-2017), IRRESPECTIVELY OF FUNDING



Eight-year Period	Number of films by female directors	Percentage of films by female directors
1991-1999	5	11.4%
2000-2008	19	17.6%
2009-2017	25	15.1%
1991-2017	49	15.4%

Source: Slovenian Film Centre

About the EFARN

The EFARN was created in 2003 on the initiative of the UK Film Council, in the framework of the European Film Agency Directors (EFAD) group. Like the EFAD, the EFARN is an informal network. The EFARN brings together researchers actively involved in the collection, analysis and publication of data on the European film industry. These researchers represent a total of 46 different bodies, principally film agencies but also a number of other organisations active in this domain.

The existence of the EFARN has considerably improved communication and the exchange of information among agency research units. In addition it has helped reduce data collection delays for certain key indicators, allowing much earlier publication of data such as European admissions totals, which are of interest to the group as a whole. Finally the group has prepared a series of methodological guidelines for the collection of data as well as list of key indicators.

EFARN

European Audiovisual Observatory

COUNCIL OF EUROPE

CONSEIL DE L'EUROPE