



MAIN FINDINGS	Fiction film financing in Europe: A sample analysis of films released in 2023
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Financing structure of European theatrical fiction films

In 2023, the financing of European theatrical live-action fiction films continued to be primarily based on **five different financing sources**: direct public funding; production incentives; broadcaster investments; producer investments; and pre-sales.

The **single most important financing source** was clearly **direct public funding**, which accounted for 26% of the total financing volume tracked in the analysis. Direct public funding was followed by production incentives which accounted for 21% of total financing while broadcaster investments accounted for 18% of total financing, slightly ahead of producer investments (excl. broadcasters) and pre-sales (excl. broadcasting rights) with 17% and 15% of total financing respectively. Other financing sources, including VOD investments, private equity, debt financing or in-kind investments are negligible from a cumulative perspective.

However, there appear to be **significant structural differences among countries** regarding how theatrical fiction films are financed. Some of these differences are apparently linked to market size. Two obvious differences concern direct public funding and production incentives. The data clearly suggests that the **weight of direct public funding in film financing decreases with increasing market size** and vice versa. While comprising only 18% of total financing in the four large sample markets, direct public funding accounted for 48% in medium-sized and 54% in small sample markets.

In contrast, the financing **weight of production incentives seems to increase with market size**, increasing from only 10% in small markets, to 12% in medium-sized markets up to 24% in large markets. Also, the significance of producer investments as well as pre-sales appears to be comparatively low in small and medium-sized markets when compared to large markets.

Figure 1: Breakdown of cumulative financing volume by source and market size | 2023

Ranked by percentage share of total sample (673 sample films)

ALL EUROPE	Small markets [0 - 10 mio[Medium markets [10 mio - 50 mio[Large markets [>50 mio]	Total sample
Direct public funding	54%	48%	18%	26%
Production incentives	10%	12%	24%	21%
Broadcaster investments	10%	11%	20%	18%
Producer investments (excl. broadcasters)	12%	10%	19%	17%
Pre-sales (excl. broadcasters)	9%	11%	17%	15%
Debt financing	1%	3%	1%	1%
Private equity cash investments	2%	2%	0%	1%
In-kind investments	1%	0%	0%	0%
Other financing sources	0%	3%	1%	1%
Total financing volume	94.3	435.3	1 604.0	2 133.6
Number of sample films	67	194	412	673

Source: European Audiovisual Observatory



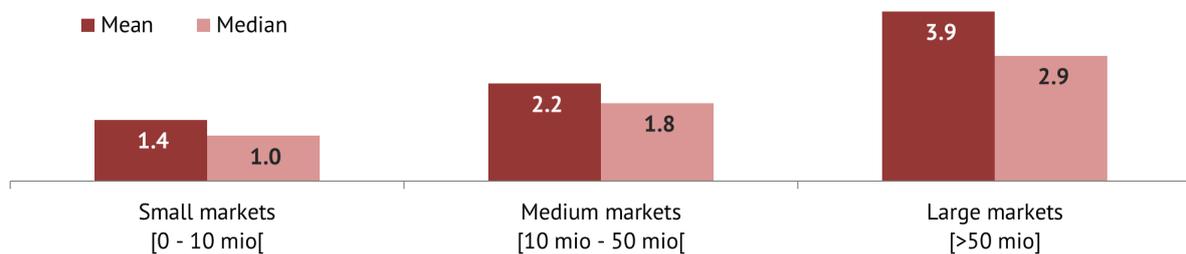
Budgets of European theatrical fiction films

The data sample studied suggests that the mean budget of a European theatrical live-action fiction film released in 2023 amounted to EUR 3.17 million while **the median sample budget amounted to EUR 2.17 million**.

However, average budgets differ widely among countries. Not surprisingly, **average budgets are higher in larger markets and lower in countries with lower box-office potential**, as exploitation in national markets remains key for most films. The median budget of a European fiction film originating in France, Germany, Italy, or the UK (the large markets included in the sample) amounted to EUR 2.9 million in 2023 compared to EUR 1.8 million for fiction films produced in a medium-sized European market and EUR 1.0 million for fiction films from small markets.

Figure 2: Mean and median budgets of European live-action fiction films by market size | 2023

In EUR million. Estimated mean and median values based on the 673 sample films.



Source: European Audiovisual Observatory

Methodological remarks

This annual report is the fruit of **a major collaboration project** between the European Audiovisual Observatory, part of the Council of Europe, and the European Film Agency Research Network (EFARN).

The analysis is based on a **data sample** comprising **detailed financing plans for 673 European live-action fiction films** - theatrically released / scheduled for release in 2023 from 24 European countries. The data sample includes both 100% national as well as European-majority-led co-productions. It covers a cumulative financing volume of EUR 2.13 billion. The data sample is estimated to **cover 48% of the total number of European live-action fiction films** released theatrically in 2023.

Direct public funding refers to financial support granted by a public film fund to support the development and/or production of a film. The analysis includes direct public funding from national, regional and local bodies in the country of origin as well as from minority financing countries and supra-national sources.

Production incentives are public support measures that are typically granted based on objective criteria and calculated as a percentage of spending incurred in a given territory. Incentives primarily take the form of cash rebates, tax rebates, tax credits or tax shelter investments. The analysis includes national and foreign production incentives.

Broadcaster investments in this analysis refer to both co-production investments as well as pre-sales by broadcasters based in any of the (co-)producing countries.

Pre-sales are defined as a sale of distribution rights that takes place at any time prior to the completion of a film production, including both minimum guarantees as well as outright sales. The analysis combines national and international pre-sales.

Producer investments are defined as funds invested by producers, giving them an equity share in the film, i.e. (partial) ownership of the negative and copyrights. The analysis includes investments made by producers based in any of the (co-)producing countries.