

The film and TV production sector in the time of COVID-19

Forum Alentours - Rendez-vous de la co-production rhénane

Table-ronde “L’avenir des coproductions européennes”

Europe Créative, - Strasbourg, 1 July 2020

Sophie Valais
Senior Legal Adviser



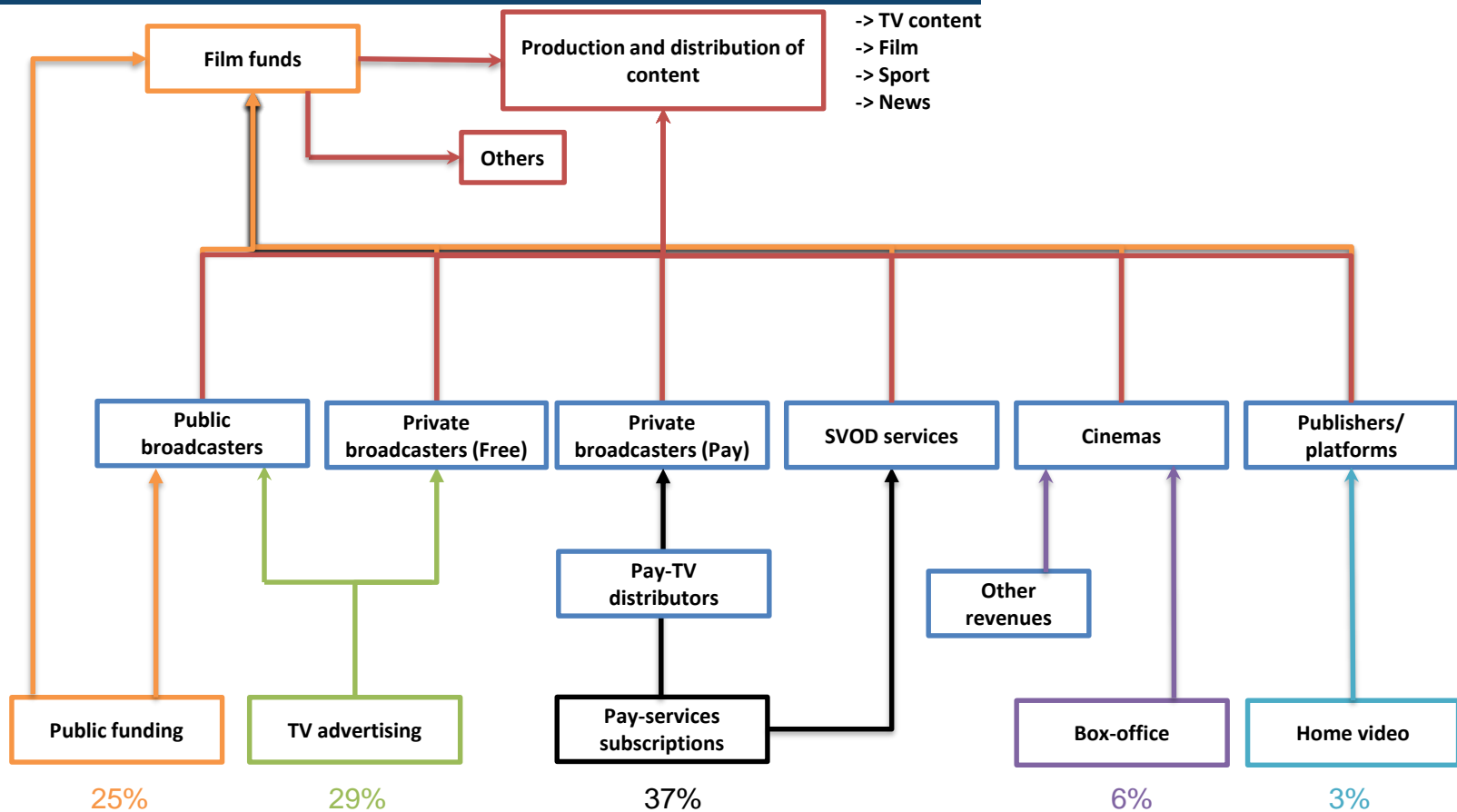
Overview

- 1. Punctual crisis or long-lasting impacts?**
- 2. Impact of the crisis on the production sector**
- 3. National measures to offset the impact of the crisis**

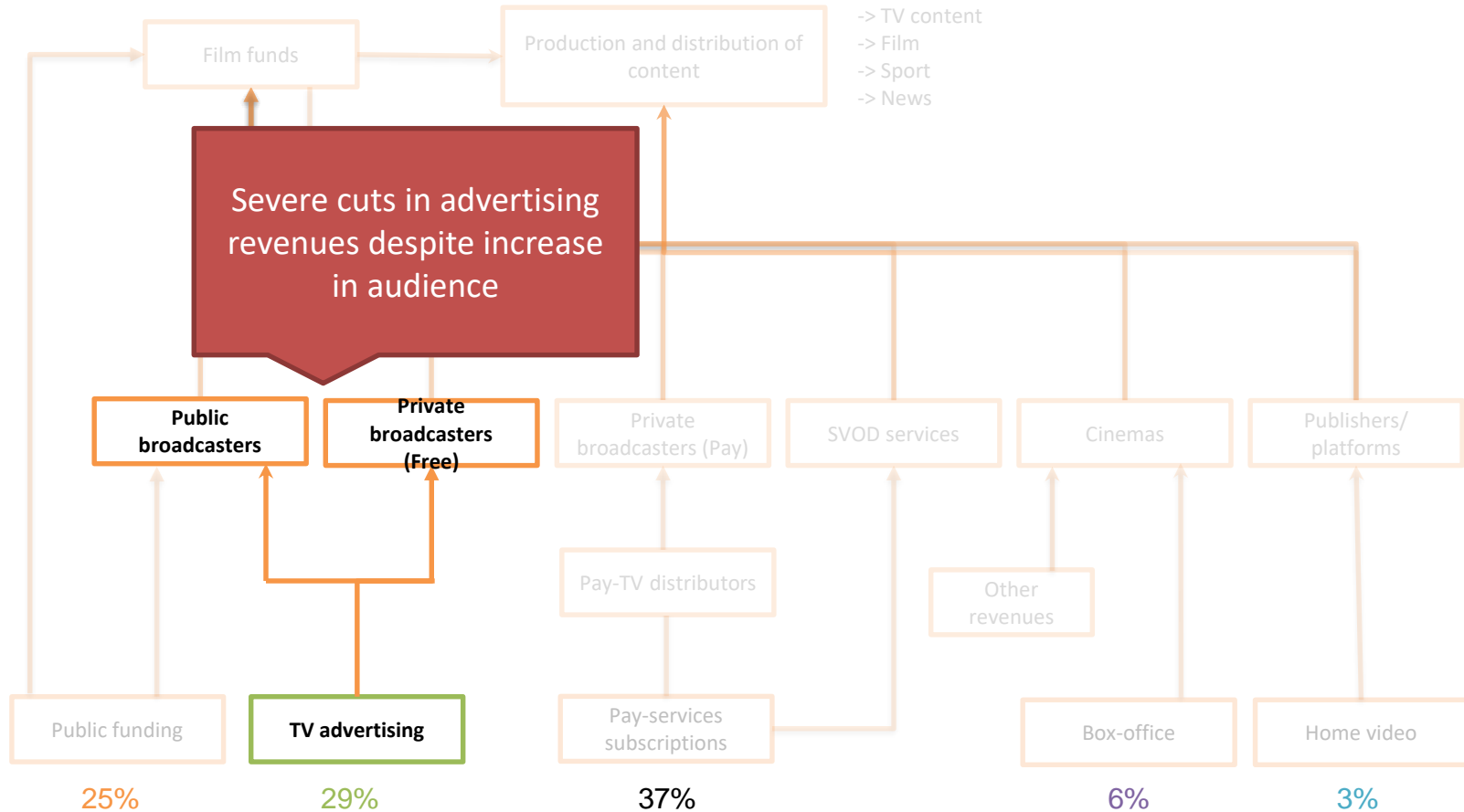
Overview

- 1. Punctual crisis or long-lasting impacts?**
2. Impact of the crisis on the production sector
3. National measures to offset the impact of the crisis

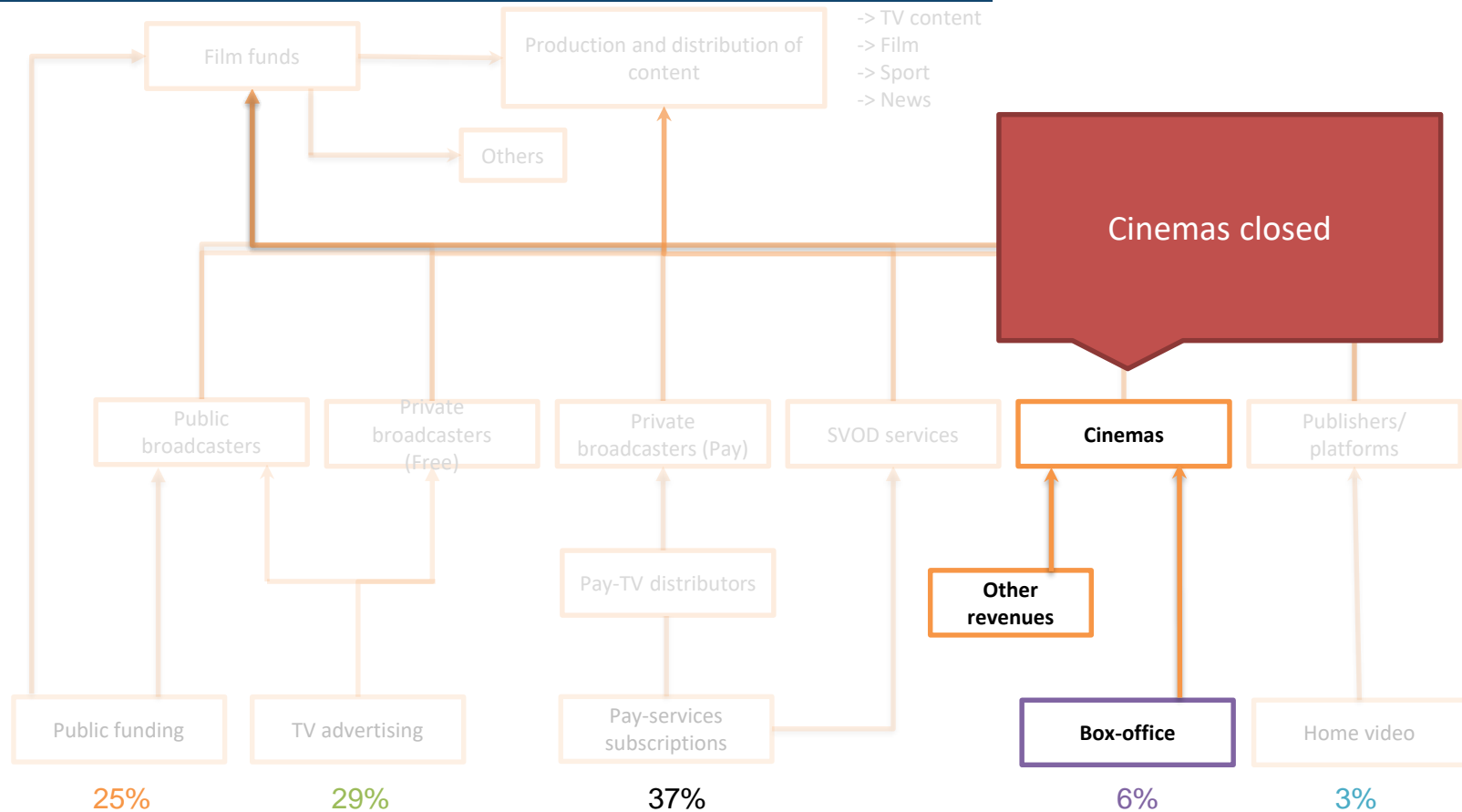
Financial flows in the audiovisual sector: *now*



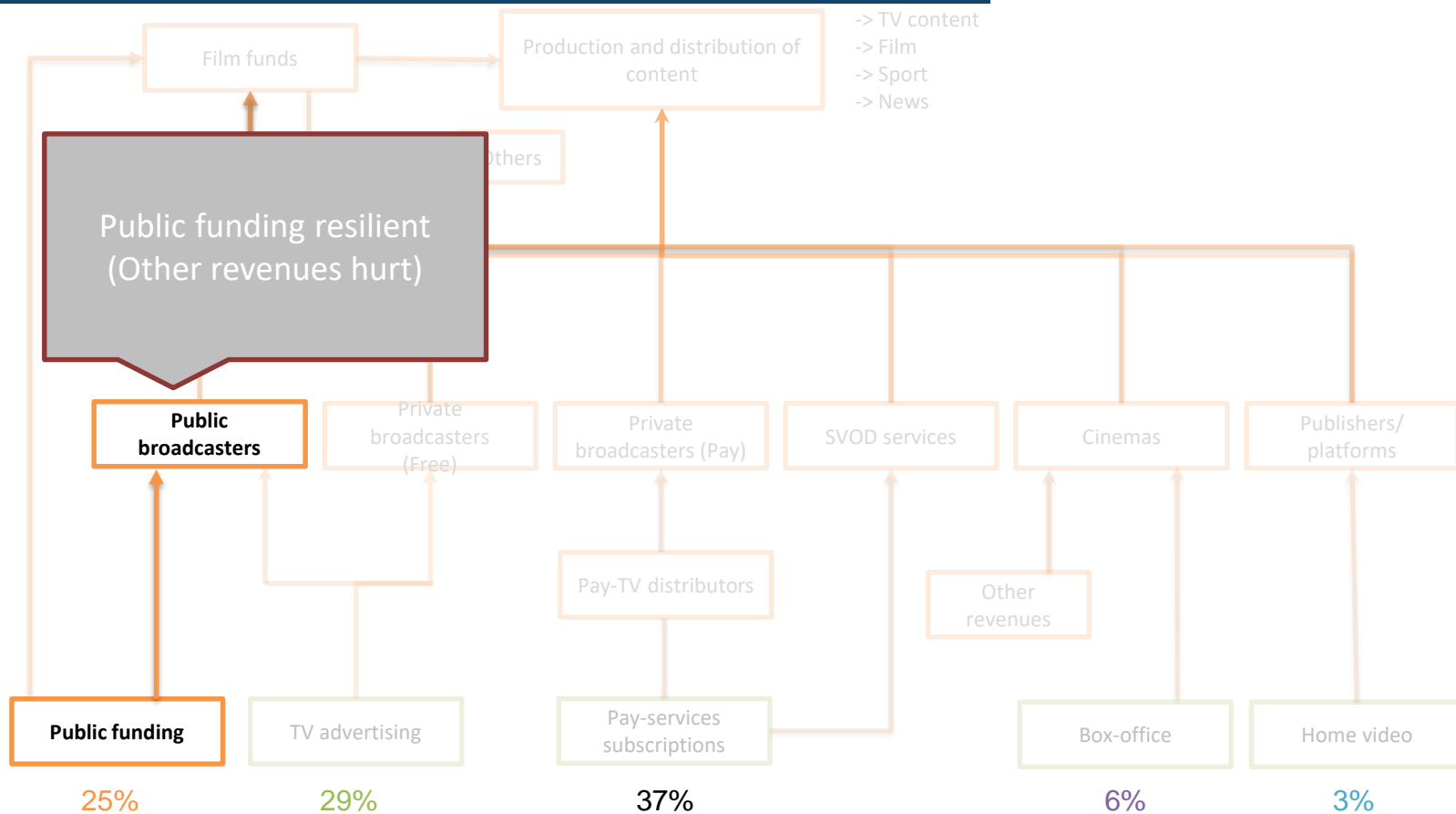
Financial flows in the audiovisual sector: *Now*



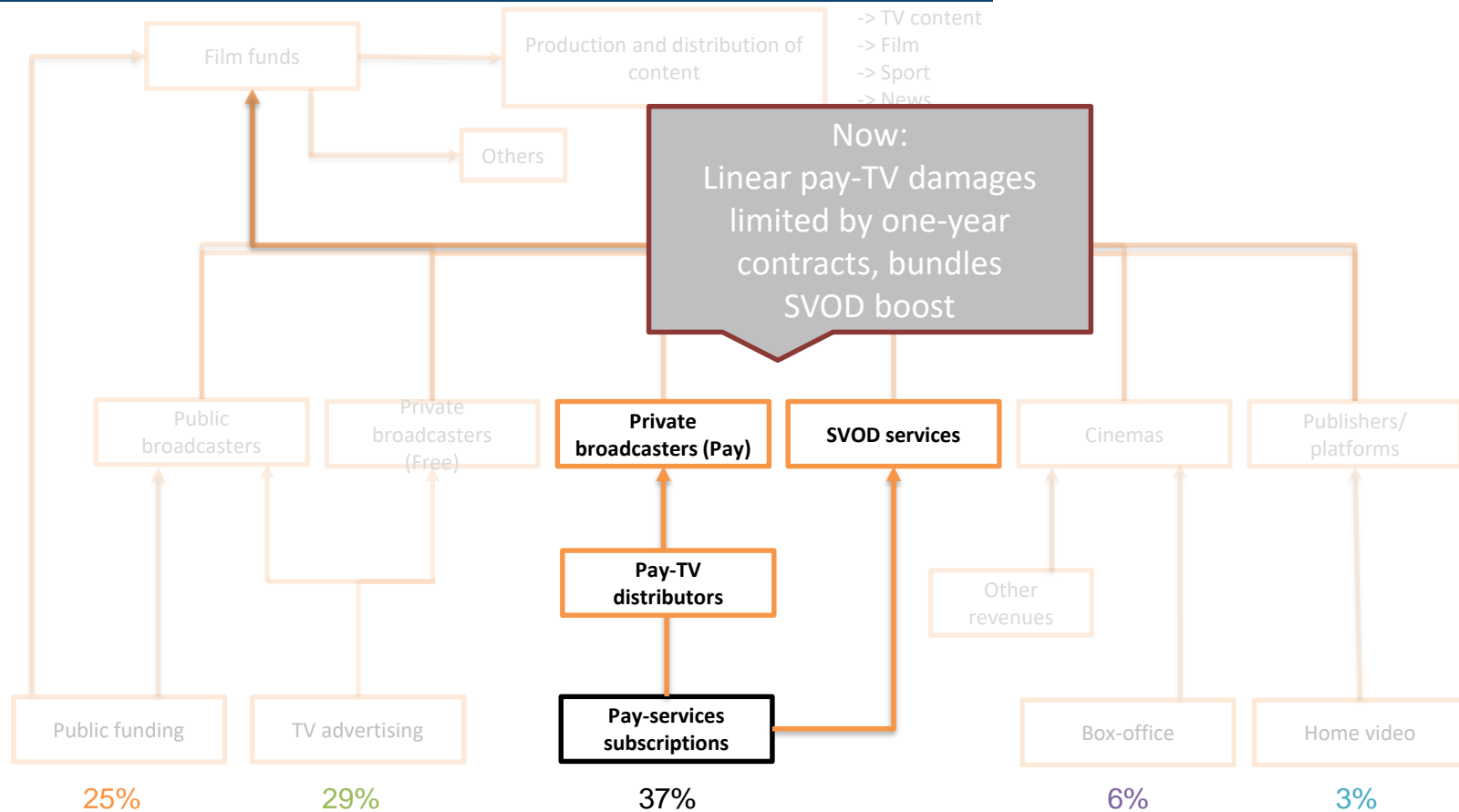
Financial flows in the audiovisual sector: Now



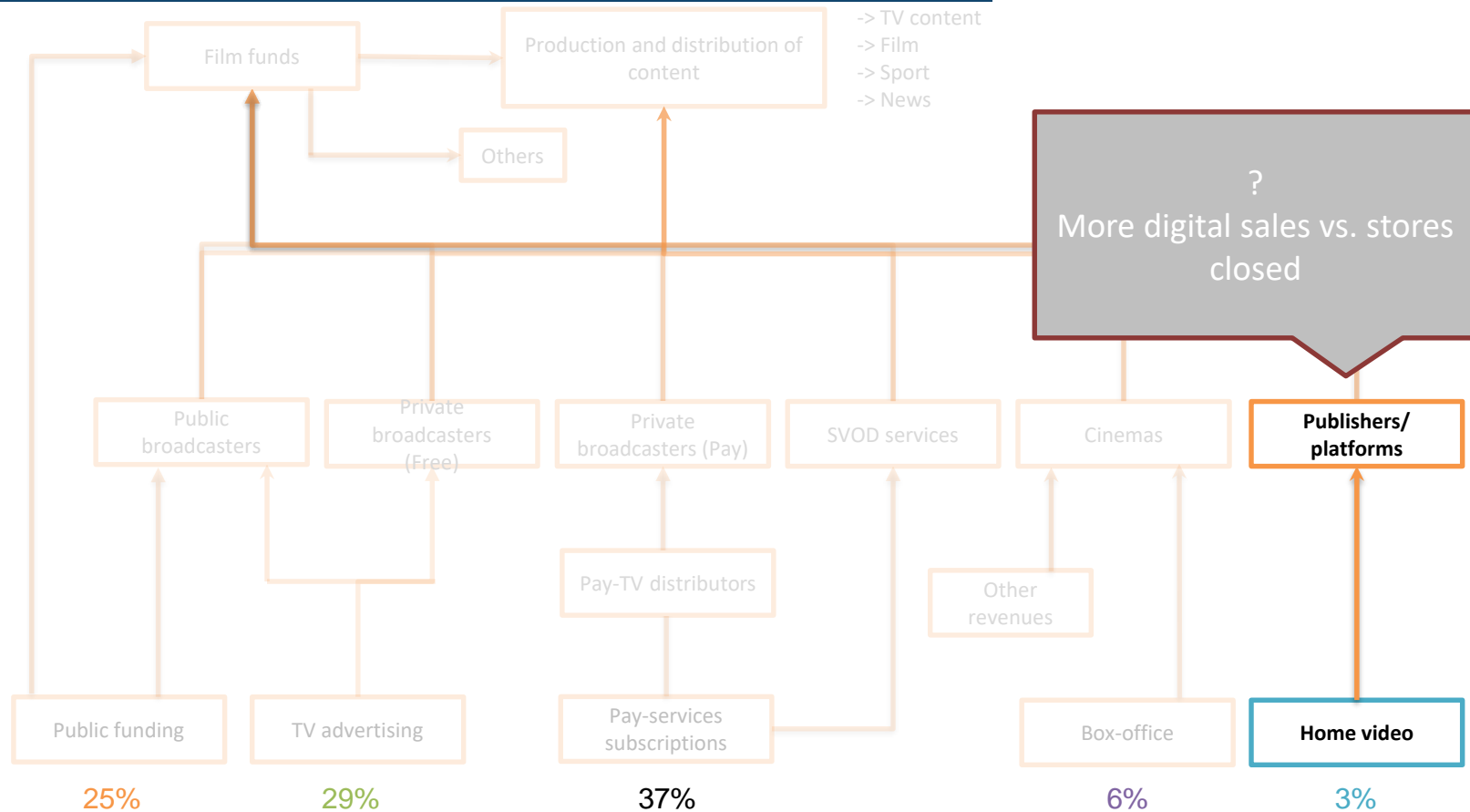
Financial flows in the audiovisual sector: *Now*



Financial flows in the audiovisual sector: *Now*



Financial flows in the audiovisual sector: Now



Risks for the European audiovisual sector

- **Public & private broadcasters**

- ✓ Severe cuts in TV advertising revenue and risk of recession

- **Cinema & box-office**

- ✓ Cinemas closed during lockdown and progressive reopening and risk of persistent sanitary rules and failure of small cinemas and distributors

- **Public funding**

- ✓ Resilient now but risk of austerity measures

- **Pay-service subscriptions**

- ✓ Risk of shortage of 'cinema' films for linear pay-TV and cord-cutting impact on total revenues

Overview

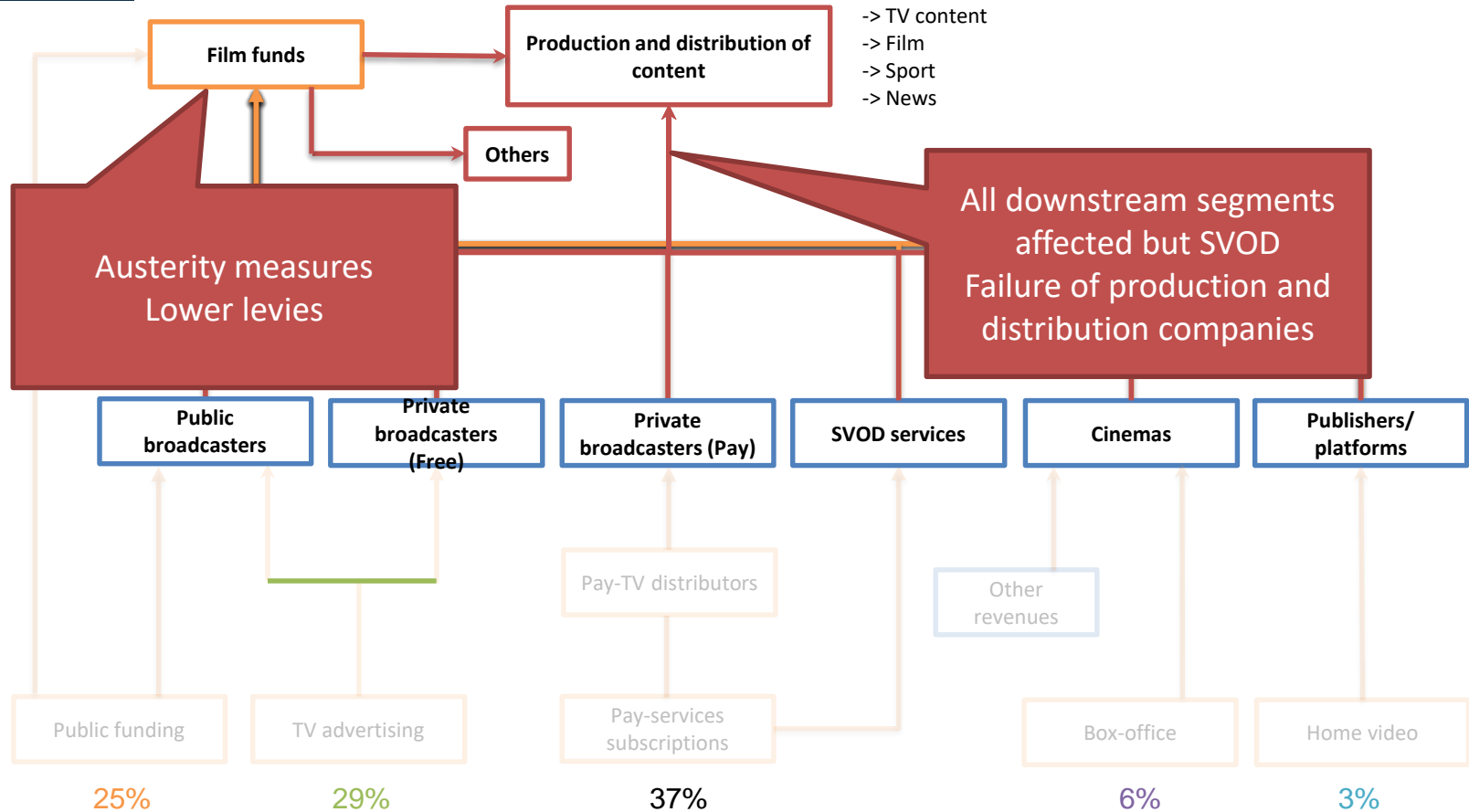
1. Punctual crisis or long-lasting impacts?
- 2. Impact of the crisis on the production sector**
3. National measures to offset the impact of the crisis

Immediate impact on production companies

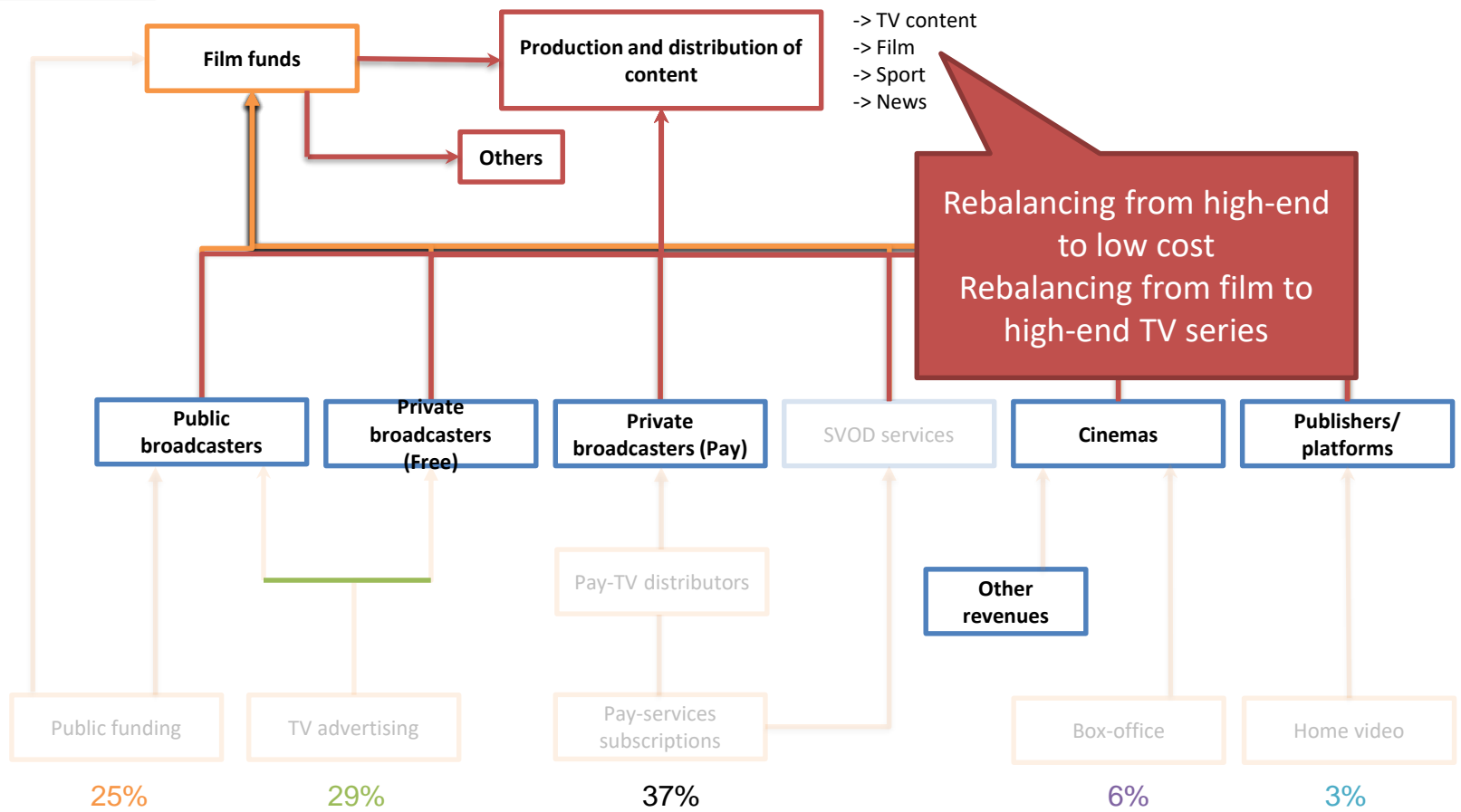
- **No revenue generated** by production companies since March 2020:
 - ✓ Reporting shootings for sanitary reasons; problems of insurance to cover risk of interruption; problems of availability of cast and crew
- **Financing of films crumbling**: no decision taken (MG by distributors, sales agents..)
- **Suspending, finishing or stopping production projects** (66% of production companies)
- **Stopping third-party contracts** (62% of production companies)
- **Lays-off** (50% of production companies)
- **Cutting hours** and putting employees on social benefit (37% of production companies)

Implications for content production?

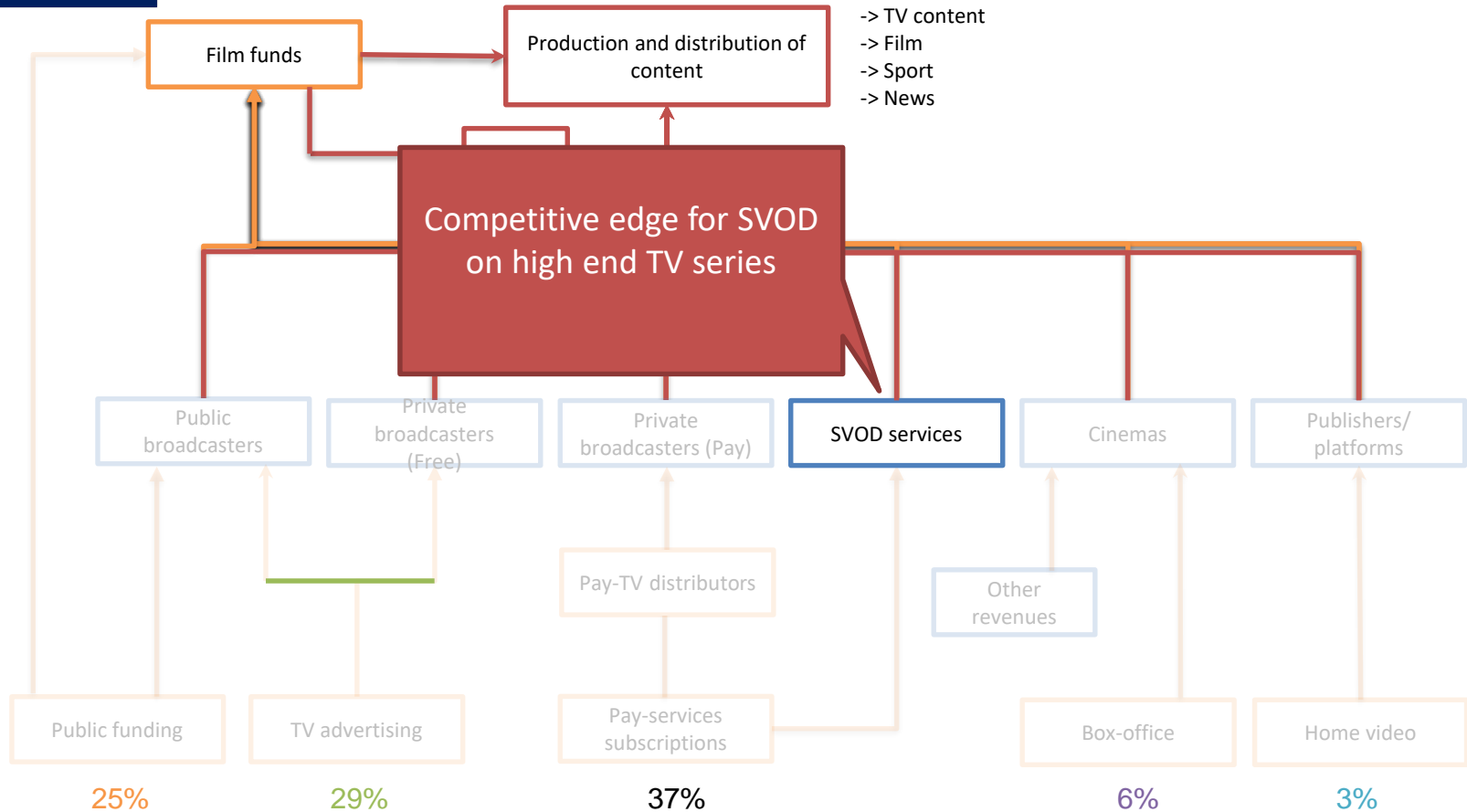
Production



Production



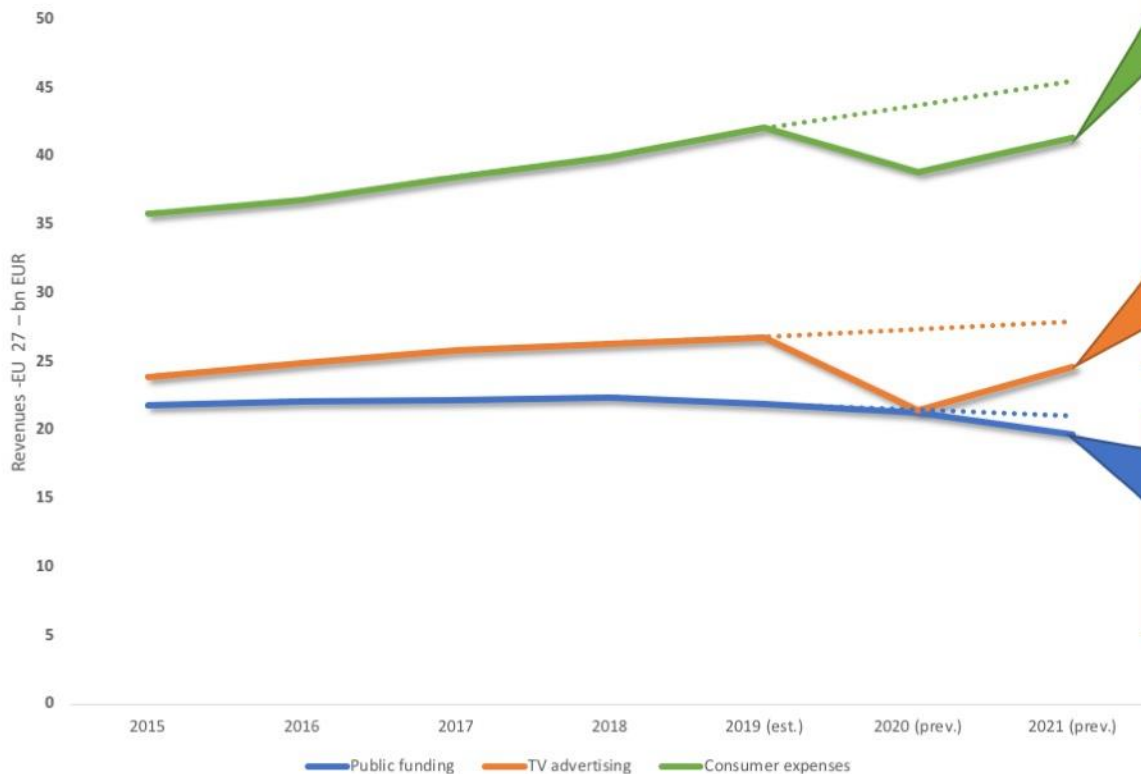
Production



To sum up...

- **COVID-19 is expected to have long-lasting impacts**
- **COVID-19 may accelerate and amplify pre-existing trends**
 - ✓ All resources of legacy players at stake:
 - TV advertising is in absolute value the highest risk for the sector
 - Public funding (mainly of public service broadcasters) will be key to the resilience of the sector
 - Cord-cutting is likely to accelerate
 - ✓ SVOD reinforced but not likely to compensate for losses from legacy players
 - ✓ Risk of decrease of European high-end production

The risk of durable impacts



Constraint cinema exhibition and cord-cutting weights on revenues

TV advertising hit by recession and loss of competitiveness vs. Internet advertising

Downward trend amplified by austerity measures

Overview

1. Punctual crisis or long-lasting impacts?
2. Impact of the crisis on the production sector
3. **National measures to offset the impact of the crisis**

The EAO COVID-19 Measures Tracker

- **Launching:** mid-March 2020
- **Goal:** Tracking information on COVID-19-related measures to support and guide the audiovisual sector
 - ✓ National: EU27 + other European countries (41 EAO member states)
 - ✓ Supranational: intergovernmental organisations (EU, CoE, UN..) / industry associations
- **Sources:**
 - ✓ 41 EAO Executive Council (NRAs, Ministries of Culture, Film funds..)
 - ✓ 38 European industry associations (EAO Advisory Committee)
 - ✓ European Film Agency Research Network (EFARN) / European Platform of Regulatory Authorities (EPRA)

Description of the project

- **More than 800 measures:**
 - ✓ Regulation, guidelines, initiatives, policy statement) / Updated twice a week
- **Measures by:**
 - ✓ Governments; media regulators (NRAs); film agencies; collective management organisations (CMOs); industry branches; European and financial institutions..
- **Main sectors concerned:**
 - ✓ Cross-sector – all industries (e.g. SMEs, workers, freelancers..)
 - ✓ Cultural & creative industries (e.g. support to artists and events)
 - ✓ Film/AV sector: broadcasting, production, distribution, exhibition, festivals, VOD services
- **Included in a sortable database**
 - ✓ By country, organization, sector, area impacted, type of measure) + link

Overview of national measures for the audiovisual sector

- **Diversity of approaches, based on:**
 - ✓ Type of issuing organization
 - ✓ Form of intervention (regulation, initiative, guidelines..)
 - ✓ Scope (cross-sectoral or sector-targeted) and amounts concerned
- **Cross-sectoral economic measures in most countries**
 - ✓ Support to enterprises and workers (incl. SMEs, self-employed/freelancers)
 - ✓ Eligibility most often specified by Ministries of culture
- **Sector-targeted measures in many countries**
 - ✓ For the cultural & creative sector, and/or
 - ✓ For the film & AV sector: production, distribution, exhibition, festivals, broadcasters, VOD..)

Free download of the COVID-19 measures Tracker

<https://www.obs.coe.int/en/web/observatoire/covid-19-audiovisual-sector-measures>



Observatoire européen de l'audiovisuel
European Audiovisual Observatory
Europäische Audiovisuelle Informationsstelle

FR | DE



HOME | ABOUT US | LEGAL | MARKETS | COUNTRIES | ONLINE SERVICES | A-Z | PRESS | PAID-FOR SERVICES

Welcome to the official website of the European Audiovisual Observatory
The reference for market and legal information on film, television and VoD in Europe



NEWS



European Audiovisual Observatory announces COVID-19 documentary and live expert chat at this year's Cannes Marché du Film online

11 JUNE 2020 | STRASBOURG, FRANCE

What are the effects of COVID-19 on the film, TV and VOD industries? Join us at the Cannes Marché du Film online for our documentary and live expert chat on Tuesday 23 June from 17.00 – 18.00 (CET). This is a public online event open to all. Registration information in the article.



How does Europe define the nationality of a film or TV programme?

New mapping report by the European Audiovisual Observatory

TRACKING COVID-19 MEASURES IN THE AUDIOVISUAL SECTOR

We are tracking measures in our Member States and on a European level to support the audiovisual sector during and after the COVID-19 crisis.



▶ [Link to EXCEL data tracker](#)

▶ [Link to the project description](#)

From lockdown to the “new normal” in times of COVID-19

Operational guidelines / deconfinement measures:

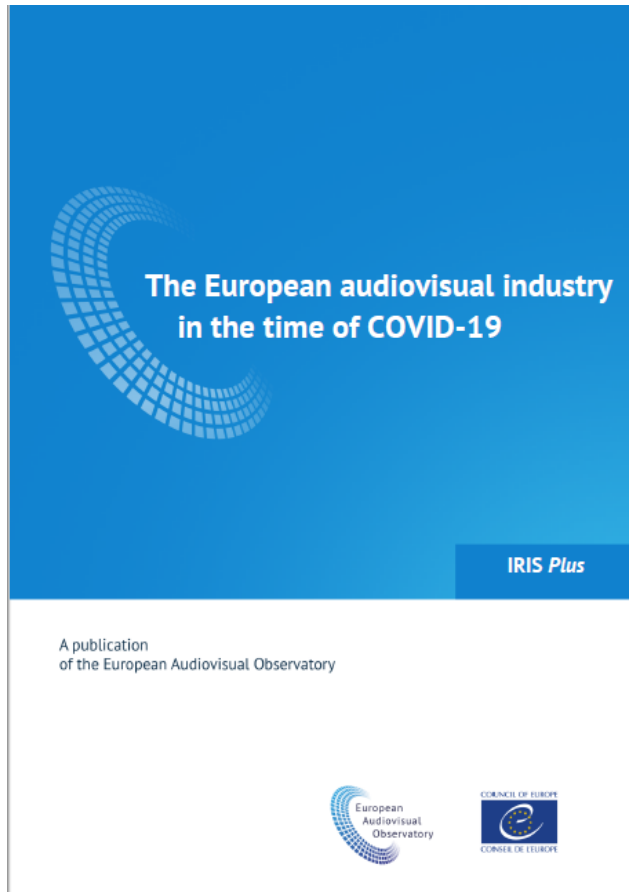
- Health and safety recommendations by film agencies, mandatory rules by governments, good practices by the industry..
 - ✓ Reopening of cinema theatres: limited capacity, social distance rules
 - ✓ Resuming production / shooting activities
- General guidance about risks in work places..
 - ✓ Social distancing and hand hygiene; safety kits and equipment; disinfection of closed spaces; displaying of information in workplaces..

Producing under the “new normal” post-COVID-19

*Producers need to **complete sufficient and suitable risk assessment** and engage with workforce before the commencement of production*

- Reduce number of people on site
- Consider editorial ‘on camera’ requirements
- Heighten precautions for everyone at work
- Specifically consider people at higher risk of harm
- Consider mental health and wellbeing (peer to peer model, helpline...)
- Feedback loop

Free download of the EAO latest legal report



<https://rm.coe.int/the-european-audiovisual-industry-in-the-time-of-covid-19/16809ec9cb>

EAO Documentary and live after-talk with the industry at the Cannes film market



Thank You!

For any queries:

sophie.valais@coe.int

www.obs.coe.int



Observatoire européen de l'audiovisuel
European Audiovisual Observatory
Europäische Audiovisuelle Informationsstelle

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE