

# Insights into direct public film funding in Europe

A sample analysis of national and sub-national funds  
for the years 2018-2022

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# Purpose & scope

## Purpose

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The purpose of this report is to provide **high-level insights** into the **development of direct public funding in Europe** between 2018 and 2022.

The idea is to highlight general trends of **the structure of public support** for films and other audiovisual works **in Europe as a whole** and thereby provide a **big picture perspective** of trends in direct public funding in Europe.

## Focus on film agencies

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**Public intervention** in the film and audiovisual sector can take a **wide variety of forms**, ranging e.g. from regulation, to subsidies and grants, loans granted at preferential rates, fiscal/production incentives or loan guarantee systems. These different forms of intervention are **carried out by a variety of public bodies**, ranging from government ministries, regulatory bodies, film agencies, publicly funded bank or credit institutions or other associations.

**This report focuses exclusively on the activities of film agencies**, i.e. public bodies providing support to film and audiovisual works in Europe.

## Focus on direct public funding

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In principle, the report **covers all support forms** which are **undertaken by film agencies**. Effectively, this refers primarily to direct interventions in the form of subsidies, grants or loans at preferential rates to support the creation of works. But it also includes other activities related to the film industry e.g. to promote films as well as filming in specific regions, support for media literacy, film heritage or training. This sort of support is referred to as **direct public funding**.

However, some film agencies also administer **fiscal or other production incentives** which are administered by other entities in the majority of countries. This poses a problem in terms of comparability of film agencies' income and spend data. In order to address this issue, this report distinguishes between direct public funding activities (provided by all funds) and incentives (provided by only a few).

While **most of the analysis focuses on the development of direct public funding**, figures on the development of incentives administered by film agencies are included when meaningful.

## Focus on income and activity spend

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The report analyses film agencies' **income** as well as their **activity spend** based on aggregate data **provided for pre-defined income sources and activity lines**, respectively. In contrast to previous reports, the data were not provided on a scheme-by-scheme basis and do not address the number of projects supported.

## Separate sample analysis of national and sub-national funds

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Film agencies can operate at supra-national level (e.g. multilateral funds such as Eurimages or Creative Europe MEDIA), at national level or at sub-national level (funding put in place by community, regional or municipal authorities).

This report is **based on sample analyses of selected national film agencies as well as sub-national film funds** represented in the CINEREGIO network, as the collection of more comprehensive data was not feasible.

Given the **different coverage rates** of the data samples, **analysis results for national and sub-national funds will be presented separately.**

See sample data description for further details

## Focus on breakdown and growth

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Given the nature of sample analysis, this report provides insights **into the breakdown and growth of aggregate income and activity spend.**

Given the limited coverage rates of the data samples, particularly in the case of sub-national funds, **no reliable conclusions** can be reached **with regard to the absolute volume** of direct public funding provided by national or sub-national funds.

## Aggregate pan-European data

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The analysis **focuses on aggregate pan-European data derived from the data sample** rather than providing data on individual markets or film agencies. Please note that the **situation in individual markets can differ significantly** from the pan-European figures. In principle, the report covers all member states of the Council of Europe.

## Time period covered: 2018 to 2022

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The report **covers a five-year time period from 2018 to 2022.** Where meaningful, comparisons with data from previous Observatory reports ranging back to 2009 will be shown.

# Methodology & data sample description

## Data collection

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Data on film agencies' income and activity spend were collected directly from film agencies through a **questionnaire** asking for **aggregated annual data** for the set of indicators listed on page 10.

In order to maximise comparability with data published in two previous Observatory reports on public funding and thereby allow for long-term development analysis, the indicators chosen for this report follow closely the indicators used in those two reports:

- 2016, [Public financing for film and television content – The state of soft money in Europe](#), European Audiovisual Observatory
- 2011, [Public funding for film and audiovisual works in Europe](#), European Audiovisual Observatory

In contrast to the 2011 report, data were collected on an aggregate basis rather than on a scheme-by-scheme basis. The latter was not feasible due to the extensive workload required to compile such data.

This report also does not address the number of projects supported, as this does not provide meaningful data on an aggregate basis.

## Data treatment

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After converting data into Euro values and collating them into a single data set, the Observatory performed several plausibility checks when necessary and film agencies were contacted to clarify data inconsistencies.

Only data for funds with a complete five-year time series and sufficient quality of data were taken into consideration for the sample analysis, to ensure comparability of data between funds and across individual years. While this reduces the number of sample funds, it avoids the introduction of “technical” growth trends which are linked to differences in sample coverage between years rather than representing actual increases or declines.

Only aggregate data are used for the analysis. They are calculated separately for national and non-national funds, as the two samples differ in their respective coverage rates. The coverage of sub-national funds is low compared to the coverage of national funds. Given the oftentimes different characteristics between national and sub-national funds, a cumulative analysis of the sample data would be tainted by an over-proportional share of public funding provided by national funds.

## Definition of key terms

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This report applies the following definitions of key terms:

### ▪ **Film agency / film fund**

In this report the terms film agency and film fund are used interchangeably. They refer to bodies providing public funding for film and audiovisual works in Europe, i.e. distributing funding which comes – at least partly – from public sources. This definition includes film commissions but excludes e.g. private funds, foundations, bank financing or guarantee facilities.

A film agency / fund can be an independent organisation or it may be a department or division of a larger administrative body (e.g. a film division within a ministry of culture).

This report only covers funding bodies which operate at national and community/regional level as representative data could be collected for supra-national and local funding bodies.

### ▪ **Fund income**

Fund income is the financial resources from all sources available to the fund that can be used to finance support activities as well as internal overhead costs. Income may include repayments, unallocated funding from previous years as well as transfers from reserves. Where funding activities are run by a unit that is part of a larger administrative structure, which does not have a separate income, total activity spend is used as a substitute for income.

### ▪ **Reported income**

Reported income refers to the income as indicated by the funds in the questionnaire. Reported income is the basic element for the analysis of how funds are financed.

### ▪ **Net income**

Net income refers to the reported income minus the amount spent on fiscal and other production incentives as well as funds transferred to other funding bodies.

Using spend data to adjust income data evidently produces **only an approximate indicator** as it does not adjust for incentive or transfer-related administrative and overhead costs. It is nevertheless necessary to make income data from funds that do provide incentives comparable to income data from funds that only provide direct public funding. The adjustment for transfer of funds from national to sub-national funds furthermore avoids double counting the income at those two levels.

### ▪ **Levies**

The term levies refers to different types of levies / taxes or other mandatory contributions made by industry sectors to financing public film funds.



## ▪ **Fund activity spend**

Activity spend is the amount spent by funds on their activities, whether paid out in direct support to companies and individuals or for the organisation of activities which benefit the sector (such as promotional activities).

Activity spend can be measured as funding awarded or as support amounts actually paid out. In the context of this data collection, funds were asked to indicate activity spend as the sum of total funding awarded during the year whenever possible.

## ▪ **Incentives**

Incentives refer to financial public support taking the form of tax rebates, tax credits, tax shelters or cash rebates. In contrast to direct public funding, incentive funding is generally calculated as a percentage share of eligible production expenditures and is refunded ex post. In case of production support, incentive funding generally targets international production (while also being available to national productions) and aims to maximise local economic effects.

Given its often fiscal character, incentives support can be administered by public bodies other than film agencies. However, in some countries film-related incentives are administered by film agencies, alongside their “traditional” direct public funding activities.

## ▪ **Fund net activity spend = Direct public funding**

Net activity spend refers to the reported activity spend minus the amount spent on incentives as well as funds transferred to other funding bodies. This is done to make spend data comparable between funds that do or do not provide incentives and/or channel income to other funds.

In this report the term *direct public funding* is used synonymously with net activity spend. In contrast to incentives, direct public funding is (mostly) provided up-front (rather than ex-post) and awarded in absolute amounts (rather than as a percentage share of eligible local expenditures). Furthermore, direct public funding generally targets national films and co-productions. It can take the form of automatic or selective funding.

## ▪ **Selective funding**

Selective funding refers to support granted by film agencies at the discretion of the relevant issuing body, based on the evaluation of grant applications.

## ▪ **Automatic funding**

Automatic funding refers to support provided by film agencies to which applicants are entitled so long as they meet certain prescribed conditions. In the case of production support, automatic funding is e.g. often based on the exploitation success of a film and can be used by producers to finance the production and development of other films.

## Indicator list

Data on film agencies' income and activity spend were collected through a **questionnaire** asking film agencies for **annual aggregated data** for the indicators listed below:

### ▪ **TOTAL INCOME**

- **Income from public sources**
  - of which EU, state or federal
  - of which community, regional or local
  - of which transfer from other funds
- **Income from levies / taxes / contributions**
  - from exhibitors
  - from video streamers / operators
  - from broadcasters
  - from cable/satellite distributors
  - from internet service providers (ISPs)
  - from others
- **Income from other sources**
  - Lottery proceeds
  - Funds from other organisations
  - Repayments of conditional loans / grants
  - Own & other income

### ▪ **TOTAL ACTIVITY SPEND** (awarded or paid out)

- **Activity spend on creation of works**
  - of which development (incl. scriptwriting)
  - of which production (incl. post-production)
- **Other activity spend**
  - of which distribution
  - of which exhibition
  - of which promotion
  - of which festivals & markets
  - of which trainings
  - of which video games
  - of which multi-media / digital media
  - of which transfer to other funds
  - of which other
- **Breakdown of the above activity spend lines**
  - Automatic support
  - Selective support
  - Fiscal or other incentives

## Data sample

The insights presented in this report are derived from a **sample analysis of 29 national funds\* and 24 sub-national funds\*** (Cineregio members), for which consistent data were available for the entire five-year time period from 2018-2022. Given the focus of this analysis on analysing breakdowns and relative growth, it was imperative to use the same sample funds for each year to ensure comparability of data across years.

The average cumulative net activity spend of the national funds sample between 2018 and 2022 amounted to EUR 1.58 billion. In 2009, the last year for which comprehensive data are available, these 29 national funds cumulatively accounted for an estimated 93% of total activity spend of national funds. Based on the assumption that their relative shares have remained comparable, one can **assume** that the sample **coverage rate for national funds** in this report **exceeds 90%**.

The average cumulative net activity spend between 2018 and 2022 of the sub-national sample funds amounted to EUR 133 million. In comparison with previous reports, it is assumed that the sample **coverage rate for sub-national funds** in this report ranges around **20%**.

## Sample key figures

### Cumulative data for time period $\Sigma$ 2018-2022

Key indicators	National funds*	Sub-national funds*
Nr. of sample funds	29	24
Reported income (in EUR mio.)	11 650	712
Reported activity spend (in EUR mio.)	10 533	668
Net income <sup>1)</sup> (in EUR mio.)	8 994	709
Net activity spend <sup>2)</sup> (in EUR mio.)	7 879	665

### Annual average data for time period 2018 to 2022

Key indicators	National funds*	Sub-national funds*
Nr. of sample funds	29	24
Reported income (in EUR mio.)	2 330	142
Reported activity spend (in EUR mio.)	2 107	134
Net income <sup>1)</sup> (in EUR mio.)	1 799	142
Net activity spend <sup>2)</sup> (in EUR mio.)	1 576	133

<sup>1)</sup> Net income refers to reported income minus spend on incentives and transfer of funds.

<sup>2)</sup> Net activity spend refers to reported activity spend minus spend on incentives and transfer of funds.

\* In the context of this sample analysis the Belgian VAF and the Centre du Cinéma et de l'Audiovisuel de la Fédération Wallonie-Bruxelles are treated as national funds, as their funding remit resembles the characteristics of other national funds rather than sub-national funds.

## Limitations of sample analysis

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Like any sample analysis, insights refer only to a sample of film funds rather than the entire film fund population. While the national film fund sample is assumed to be representative, the representativeness of insights with regard to sub-national funds can not be guaranteed.

Given the limited coverage rates of the data samples, particularly in the case of sub-national funds, **no reliable insights** can be gained **with regard to the absolute volume of direct public funding**.

**Instead**, the analysis will **focus on the breakdown of income/activity spend** by their individual income sources/activity lines, respectively. The sample also allows for insights into the **relative growth** of income and activity spend as well as the role of the individual income sources/activity lines between 2018 and 2022.

The fact that the two data samples differ significantly in their estimated coverage rates, has an additional implication for the analysis. Namely, that **analysis results for national and sub-national funds will be presented separately** rather than on a cumulative basis, as in previous reports of the Observatory.

## Other caveats

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- ⋮ This report only provides a **big picture overview** based on **pan-European aggregate data** and is **not representative of individual funds or countries**.
- ⋮ **French bias in sample of national funds**: The CNC alone accounts for about 30% of the cumulative income as well as reported activity spend of the 29 national funds in the data sample. In terms of estimated net activity spend the CNC even accounts for 40%. Therefore, the corresponding pan-European aggregate figures are heavily influenced by the financing structure and spending pattern of the CNC. Significant structural differences will be shown in separate graphs and/or addressed in the text/footnotes/remarks.
- ⋮ Please note that the **financing structure** of funds **can only be analysed in terms of reported income** (which includes budgets for incentives and funds to be transferred to other film agencies) as it is impossible to link individual income sources to individual activity spend lines.
- ⋮ **Comparisons with data from older reports are meaningful but not 100% comparable** as they are based on different samples of film funds, with different coverage rates and slightly different scopes (e.g. the 2014 report does not include film commissions).

# 2 Insights into fund income

## Funds' net income<sup>1</sup> increased between 2018 and 2022, both for national as well as sub-national funds

Both samples, the national funds as well as the regional funds, registered an increase in net income<sup>1</sup> between 2018 and 2022.

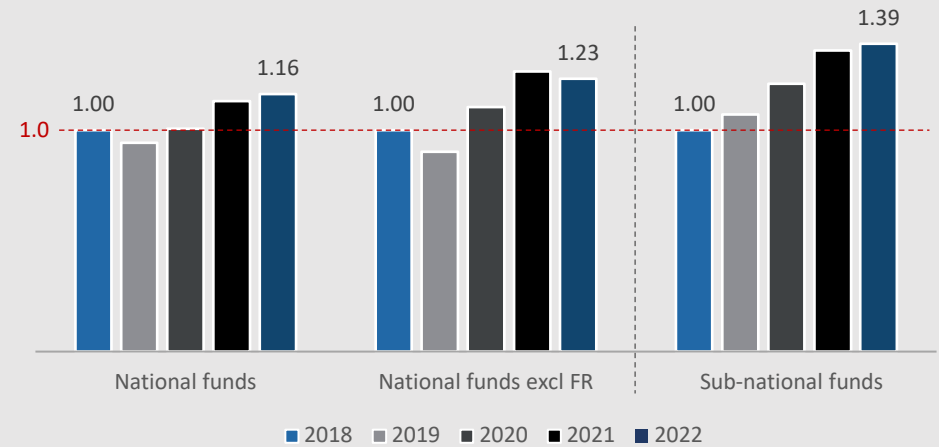
In the case of **national funds**, cumulative net income on a pan-European level remained stable until 2020 and increased in 2021 and 2022. The latter was **16% higher than in 2018 (23% excl. CNC)**.<sup>2,3</sup>

In contrast, the income of **sub-national funds** appears to have been growing consistently and proportionally stronger since 2019. Consequently, the aggregate net income of the regional sample funds in 2022 was **39% higher than in 2018**.<sup>2,3</sup>

As illustrated in Figure 2, **funds' income growth was particularly strong in 2020 and 2021**, presumably in response to the COVID crisis support. **Growth rates slowed** significantly in 2022 and even turned negative in the case of the national funds sample excluding the French CNC.

**Figure 1: Indexed development of cumulative net income 2018-2022**

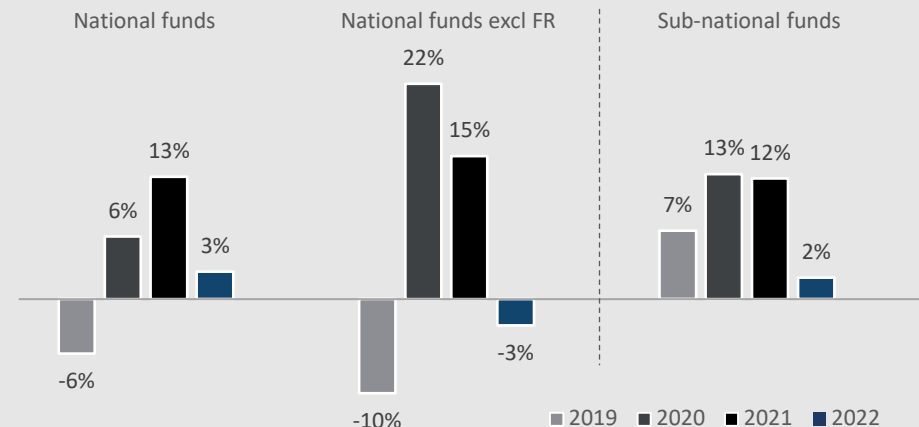
Indexed development based on 2018 values. Based on a sample of 29 national and 24 sub-national funds.



Source: European Audiovisual Observatory

**Figure 2: Net income annual growth rates 2019-2022**

Based on sample of 29 national and 24 sub-national funds.



Source: European Audiovisual Observatory

<sup>1</sup> Net income refers to the reported income minus activity spend related to fiscal and production incentives.

<sup>2</sup> As mentioned in the methodology, the non-comprehensive sample coverage renders the comparison of aggregated income in monetary terms misleading. But to give a bit of context, national funds are estimated to provide about three times as much support as sub-national funds: Previous Observatory reports – based on sufficiently comprehensive data – show that national funds generally accounted for 75% to 79% and sub-national funds for 21% to 25% of their cumulative activity spend between 2009 and 2014.

<sup>3</sup> To put these figures in perspective, it is useful to keep in mind that the inflation rate in Europe between 2018 and 2023 amounted to around 22% according to Eurostat.

## Income of funds providing incentives increased more dynamically than income of funds providing only direct public funding

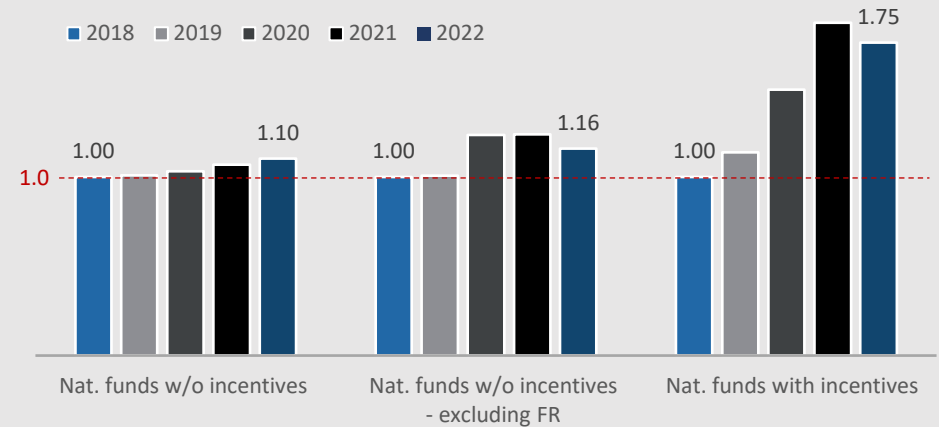
In some countries fiscal or other production incentives are administered by national film funds. In the sample, **eight** out of 29 **national funds also provided incentive support**. The data show that **their cumulative income developed in a much more dynamic way** than the income of funds providing only direct public funding.

Nor surprisingly, this applied to **reported income** which includes budgets dedicated to incentives: reported income of funds with incentives support was **75% higher in 2022 than in 2018**. This compares to an increase of only 10% in income for funds without incentives (16% excl. FR).

But it **also applied to the growth in estimated net income\*** which was 34% higher in 2022 than in 2018 in the case of funds also providing incentives compared to a 10% higher net income of other national funds (14% excl. FR).

**Figure 3: Cumulative reported income 2018-2022 (indexed)**

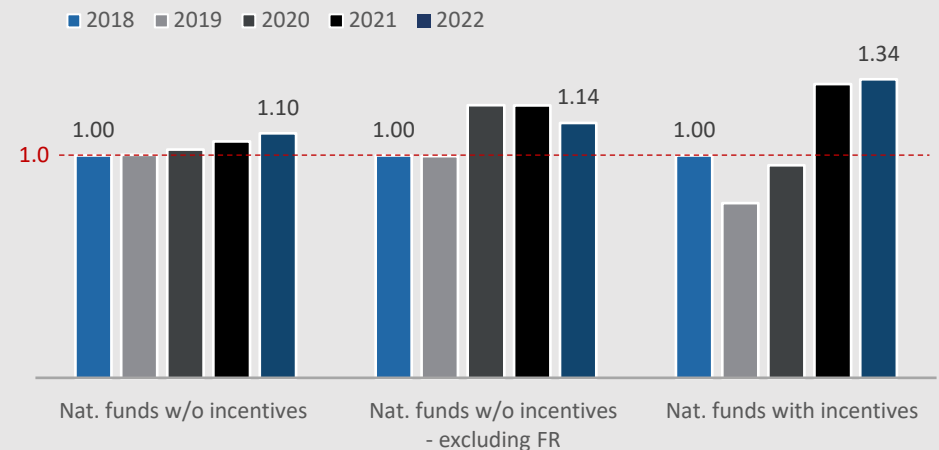
Based on a sample of eight national funds with and 21 national funds without incentives. 2018 = n0.



Source: European Audiovisual Observatory

**Figure 4: Cumulative net income 2019-2022 (indexed)**

Based on a sample of eight national funds with and 21 national funds without incentives. 2018 = n0.



Source: European Audiovisual Observatory

\* Estimated net income refers to reported income minus activity spend related to incentives and transfer of funds.

# 5 Insights into fund financing



## There is **no standard financing model** for European film funds, **but the vast majority of funds rely primarily on public sources**

Fund income can be financed from a variety of sources using a number of **different financing models across countries and funds**.

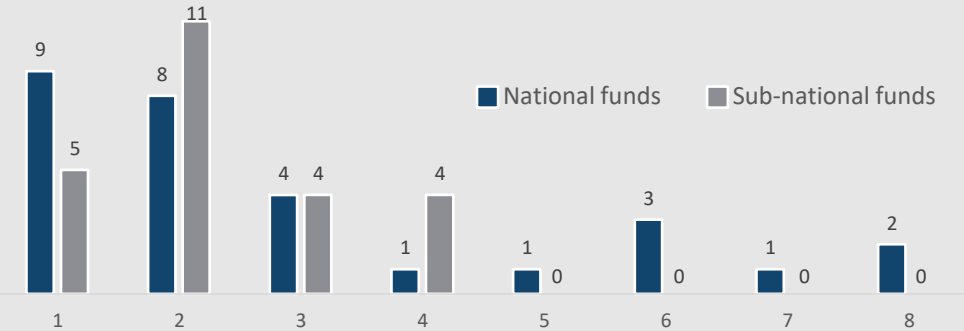
While a few national funds generate their income from up to eight different income sources, the vast **majority of the sample funds relied on only one or two income sources**. In the majority of cases this would be either state or regional government budgets mixed with own income.

22 (76%) out of the 29 **national film funds** in the data sample **sourced more than 80% of their 2022 income from government budgets**, while industry levies\* represented the majority financing source for two funds (7%) and only four (17%) funds had a more diverse financing mix.

**Public sources**, in this case regional government funds, are **even more important for sub-national funds**, where they contributed more than 80% of the income of 23 (96%) out of the 24 sample funds.

**Figure 5: Number of funds by nb. of different income sources - 2022**

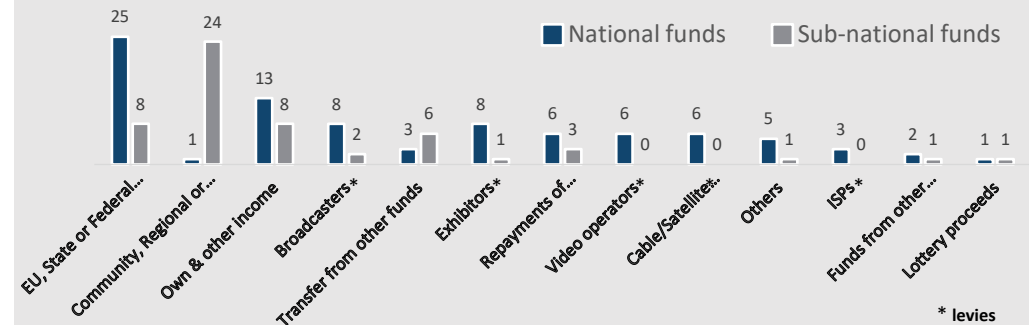
Based on sample of 29 national and 24 sub-national funds.



Source: European Audiovisual Observatory

**Figure 6: Frequency of income sources – 2022**

Based on sample of 29 national and 24 sub-national funds.

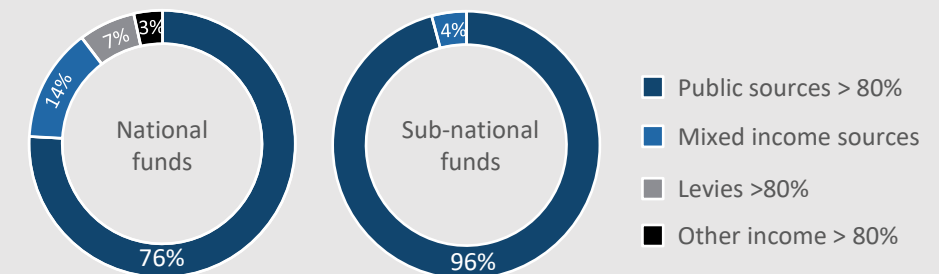


\* levies

Source: European Audiovisual Observatory

**Figure 7: Breakdown of sample funds by financing type - 2022**

Based on sample of 29 national and 24 sub-national funds.



Source: European Audiovisual Observatory

\* The term levies refers to different types of levies / taxes or other mandatory contributions made by industry sectors to financing public film funds.

## Film funding in Europe is primarily government-financed, levies are important in a limited number of countries, particularly in France

National film funding draws on a more diverse financing mix than sub-national funds. But both types of funds rely – on an aggregate level – primarily on public sources.

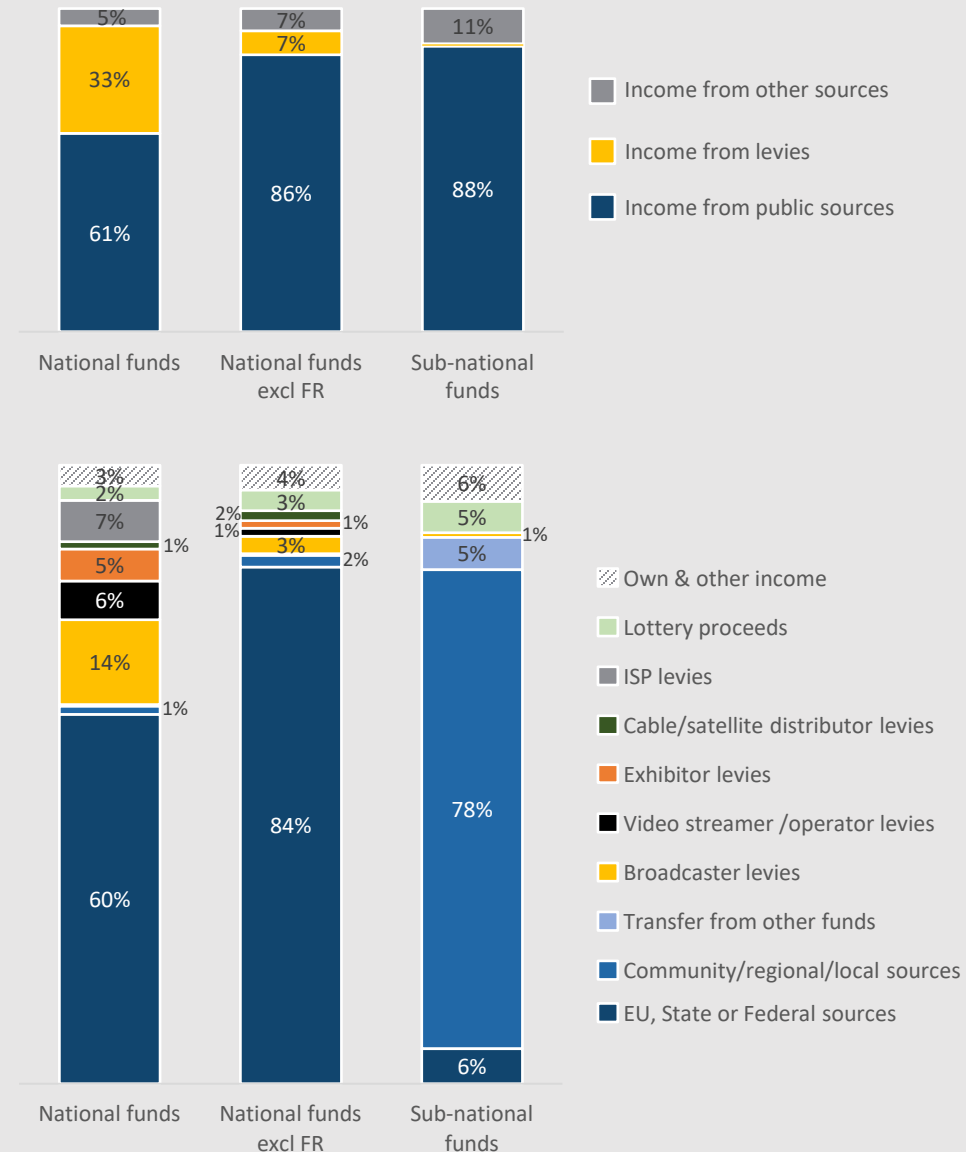
Breaking cumulative income down by sources, the data sample suggests that 60% of the reported income<sup>1</sup> of national funds between 2018 and 2022 came from state/federal government budgets. Industry levies also played an important role, cumulatively financing 33% of total income in this period. Among the industry levies, broadcasters accounted for the largest share (14%), followed by ISPs (7%), ahead of video streamers (6%) and exhibitors (5%).<sup>2</sup>

However, excluding France the picture looks very different, with an estimated 86% of national funds' income coming from government budgets and only 7% coming from levies.

In the case of sub-national funds, 88% of their income was financed by public sources (78% from regional government budgets, 6% from state/federal budgets and 5% transfers from other funds). Income from other sources (incl. own income & lottery proceeds) accounted for 11% while industry levies were negligible in the financing of sub-national funds.

**Figure 8: National funds: reported income by source Σ2018-2022**

Based on sample of 29 national funds.



Source: European Audiovisual Observatory

<sup>1</sup> Nota bene: this analysis can only be done on the basis of reported income which includes budgets for incentives

<sup>2</sup> In 2018 and 2019 income from taxes/levies on exhibitors accounted for 9% of total income, making it the second largest industry contributor. Their share dropped however during the COVID-related box office crisis in 2020-2022.

## The role of industry levies has been decreasing, while national funding has become more reliant on public sources

The sample data clearly show that on a pan-European level the **percentage share of industry levies in the financing mix of national funds decreased significantly** between 2018 and 2022, falling from 40% to 32%.

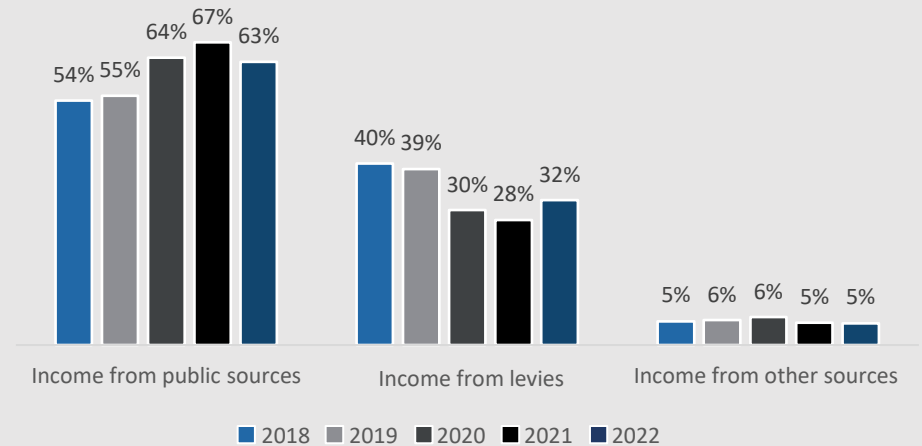
**However**, this drop in the financing share does not stem from a decline in the amount of **actual levies, which in fact were 6% higher in 2022 than in 2018**. Rather it is caused by a **disproportionate growth** in fund income which has been driven by **increasing funds from public sources, whose financing share jumped from 54% in 2018 to 63% in 2022**.

Although it is not possible to identify which part of the reported income is dedicated to incentives, it is **likely** that the strong increase in income from public sources is **driven by the increase in budgets dedicated to incentives as well as COVID-related public support** in 2020 and 2021.

The same trend can be observed when excluding France from the data sample, with the financing share of public sources increasing from 83% to 87%, and the share of levies decreasing from 9% to 7%.

**Figure 9: Percentage share of financing sources 2018-2022**

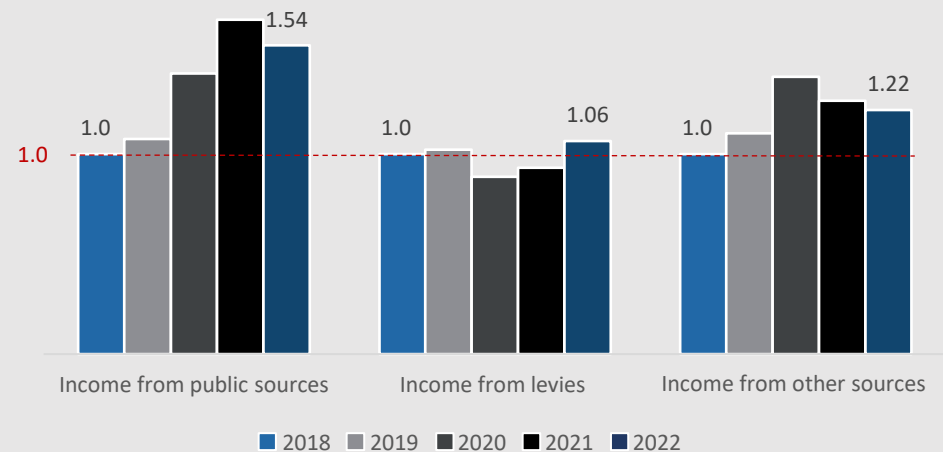
Based on sample of 29 national funds.



Source: European Audiovisual Observatory

**Figure 10: Indexed development of financing sources 2019-2022**

Based on sample of 29 national funds. 2018=n0.



Source: European Audiovisual Observatory

## Among industry levies, broadcasters remain main financing source of national funds, but their share is declining

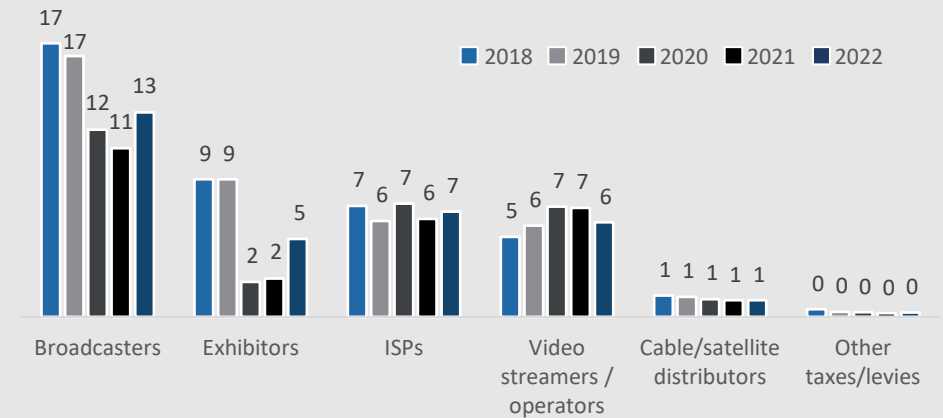
Among industry levies, the **broadcasting sector** has traditionally been, by far, the **main contributor to financing national film funding on a pan-European level**. While this was also true for the period 2018 to 2022, the financing share of broadcasters decreased from 17% to 13% (4% to 3% excl. France).

**However**, this drop in the financing share does not stem from a decline in the **amount of levies in monetary terms**, which **remained more or less stable** over the period, but rather a disproportionate increase of fund income on the one hand and **growing levies from video streamers and ISPs** on the other hand.

Income from levies on **the exhibition sector**, which used to be the second largest contributor, were **heavily impacted by the COVID crisis** and their share fell from 9% in 2018 to 5% in 2022 (2.1% to 0.7% excl. France). In contrast, **income from levies from video streamers and ISPs\*** – which clearly benefitted from the pandemic – **increased** by 60% and 30% respectively and accounted for 6% and 7% of the total pan-European financing volume in 2022, ahead of the exhibition sector.

**Figure 11: Financing share of levies by sector 2018-2022**

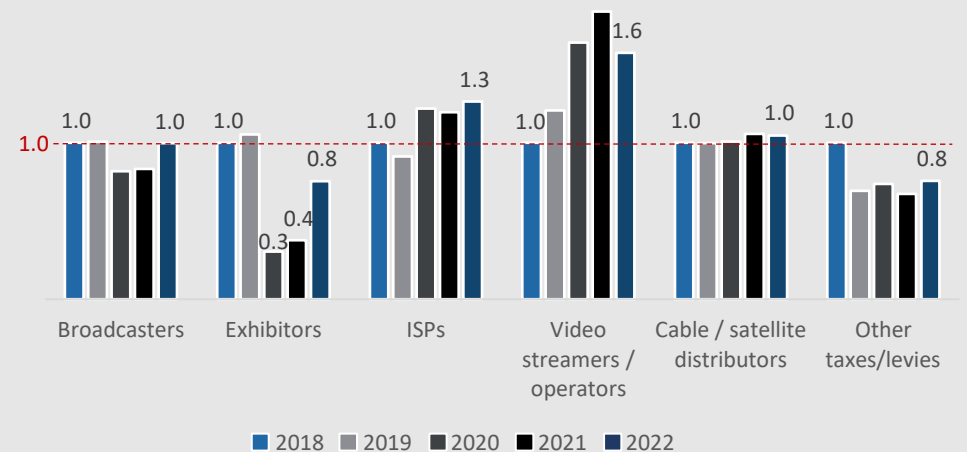
In %. Based on sample of 29 national funds.



Source: European Audiovisual Observatory

**Figure 12: Indexed development of taxes/levies 2018-2022**

Based on sample of 29 national funds. 2018=n0.



Source: European Audiovisual Observatory

\* Please note, however, that levies on ISPs play a negligible role in financing national funds outside of France.

## Declining financing share of industry levies, particularly from broadcasters, in line with long-term trend

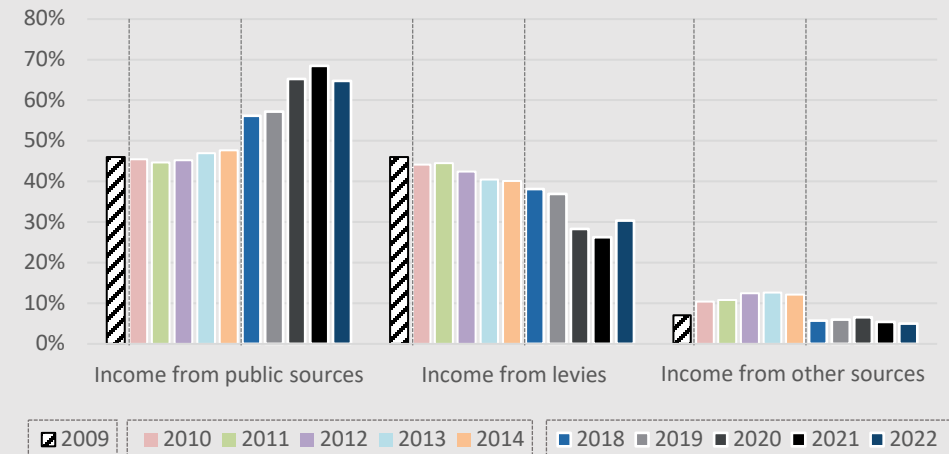
While the period 2020 to 2022 might be exceptional due to the disproportionate growth in production incentives administered by national film funds as well as COVID-related support measures, the aforementioned trend of a **decreasing financing share of industry levies, in particular from broadcasters** appears to be **in line with long term trends from a pan-European perspective.**

Figures 13 and 14 compare data from the current data sample with data from two previous Observatory reports covering the years 2009<sup>1</sup> and 2010 to 2014<sup>2</sup>. While the **data are not perfectly comparable** due to different sample sizes, the applied methodologies are close enough to allow for an indicative analysis of long-term trends in terms of financing shares.

The data confirm a long-term trend towards **an increasing share of financing** – in this case of national & sub-national funds combined – **coming from public sources**, driven on the one hand by an increase in incentives administered by national funds, as well as the **decline in broadcaster financing, which has not been compensated for by increasing contributions from video streamers and ISPs**, as contributions from exhibitors remained stable, at least before COVID.

**Figure 13: Share of income sources of nat. & sub-nat. funds 2009-2022**

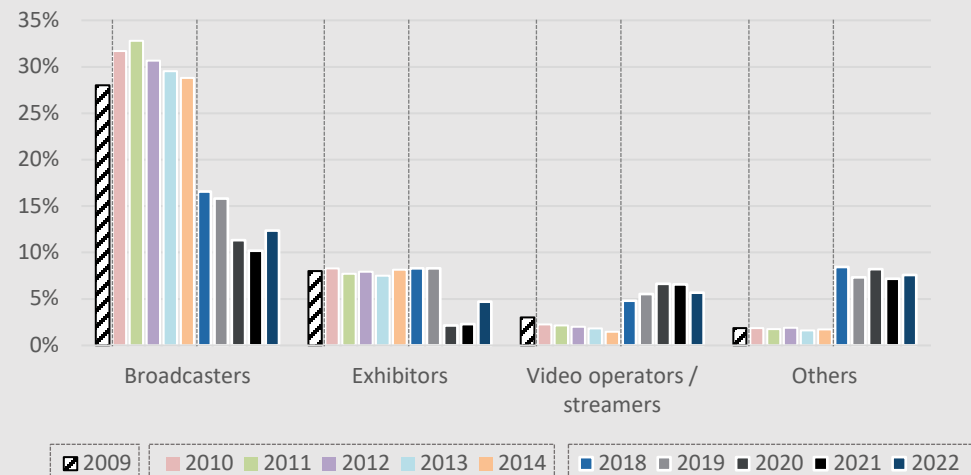
Estimates. Nota bene: Data come from three different data samples for 2009, 2010-2014 and 2018-2022 and refer to the cumulative income of national and sub-national funds.



Source: European Audiovisual Observatory

**Figure 14: Financing share of levies nat. & sub-nat. funds 2009-2022**

Estimates. Nota bene: Data come from three different data samples for 2009, 2010-2014 and 2018-2022 and refer to the cumulative income of national and sub-national funds.



Source: European Audiovisual Observatory

<sup>1</sup> Public funding for film and audiovisual works in Europe, 2012, Susan Neman-Baudais, OBS

<sup>2</sup> Public financing for film and television content – The state of soft money in Europe, 2016, Julio Talavera et.al., OBS

# 8 Insights into fund activity spend

## Direct public funding<sup>1</sup> increased between 2018 and 2022, particularly at sub-national level

The **amounts of support** provided by the national funds as well as the sub-national funds in the sample **increased** between 2018 and 2022. Much of this growth might have been linked to COVID support measures and may be temporary.

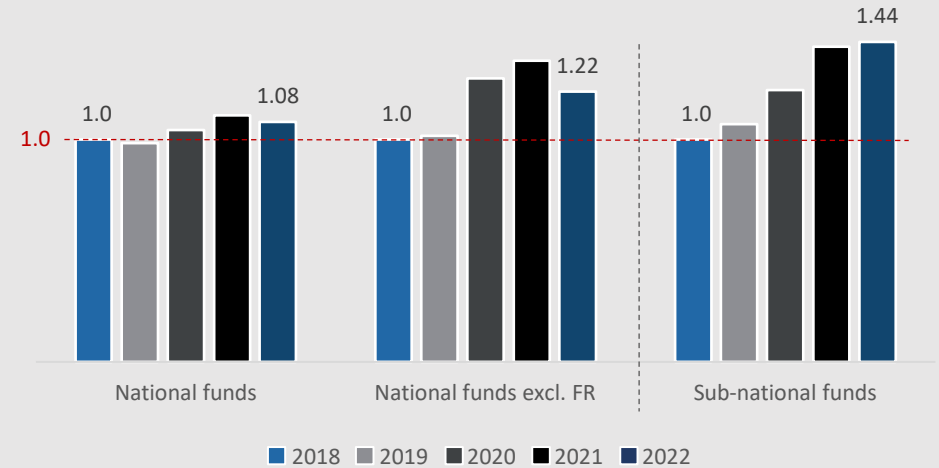
In the case of **national funds**, cumulative net activity spend<sup>1</sup> on a **pan-European level** remained stable in 2019 but started to increase in 2020 and reached its highest level in 2021 before declining somewhat in 2022 to a level which was still **8% higher than in 2018**. **Excluding France**, the activity spend of national funds **increased at a significantly higher rate (+22%)**.<sup>2</sup>

Activity spend of **sub-national funds** appears to have been growing, proportionally, even more strongly, with cumulative net activity spend of the sub-national sample funds **44% higher than in 2018**.<sup>2</sup>

As illustrated in Figure 16, funds' **activity spend grew notably strongly in 2020 and 2021**, presumably in response to the COVID crisis support (especially among national funds outside France), while **growth rates dropped sharply in 2022**.

**Figure 15: Indexed development of net activity spend 2018-2022**

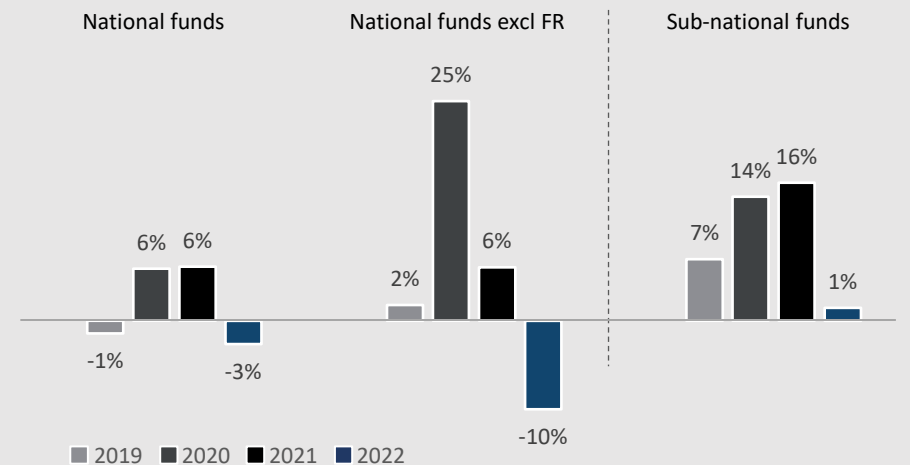
Based on a sample of 29 national and 24 sub-national funds. 2018 = n0.



Source: European Audiovisual Observatory

**Figure 16: Net activity spend annual growth rates 2019-2022**

Based on sample of 29 national and 24 sub-national funds.



Source: European Audiovisual Observatory

1) Direct public funding refers to net activity spend, i.e. reported activity spend minus spend related to incentives and transfer of funds. See methodology section for further details.

2) To put these figures in perspective, it is useful to keep in mind that the inflation rate in Europe between 2018 and 2023 amounted to around 22% according to Eurostat figures.

## Incentive support increased significantly more strongly than direct public funding

*Nota bene: The data sample is not suited for analysing the development of European production incentives as a whole. It can merely compare those incentive schemes which were administered by eight of the sample funds with the direct public funding awarded by the same funds.*

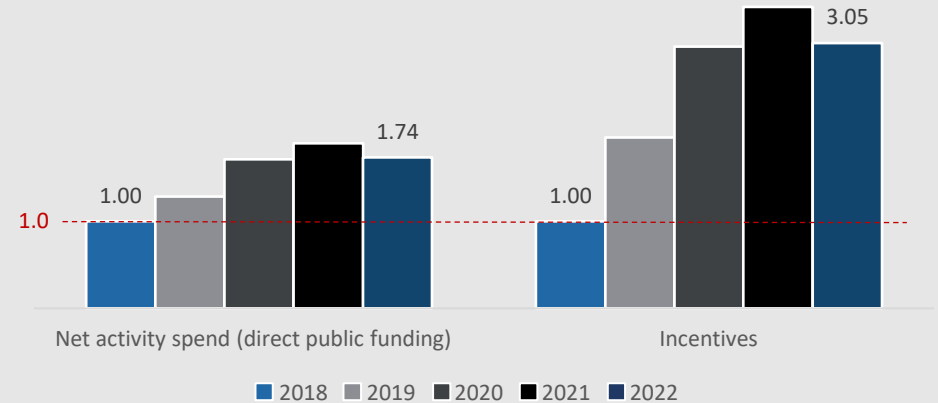
**A closer look at those eight national funds in the sample which administered incentives** reveals that funds' spend on **incentives** has **grown much more strongly than their direct public funding spend**: While the cumulative direct public funding spend of these eight funds was 74% higher in 2022 compared to 2018, their spend on incentives more than tripled between 2018 and 2022 (see Figure 17).

The **share of incentives out of total activity spend**<sup>1</sup> for these eight funds consequently **increased from 44% in 2018 to 58% in 2022**.

It is worth noting that – **despite a disproportionate increase in their incentives support – direct public funding spend** of these eight funds grew **significantly more** than direct public funding of **other national sample funds (+2% excl. France)**.

**Figure 17: Development net activity spend vs. incentives 2018-2022**

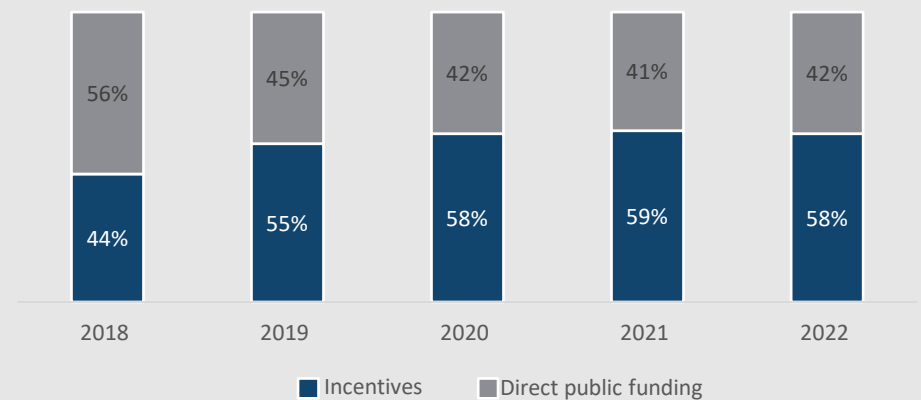
Indexed development 2018 = n0. Based on sample of 8 national funds with incentives.



Source: European Audiovisual Observatory

**Figure 18: Breakdown of net activity spend incl. incentives 2018-2022**

Based on sample data for 8 national funds providing incentives.



Source: European Audiovisual Observatory

<sup>1</sup> Reported activity spend net of transfer of funds, or phrased differently the sum of direct public funding and incentives spend.



## Majority of funds' activity spend goes to creation of works, particularly in case of sub-national funds

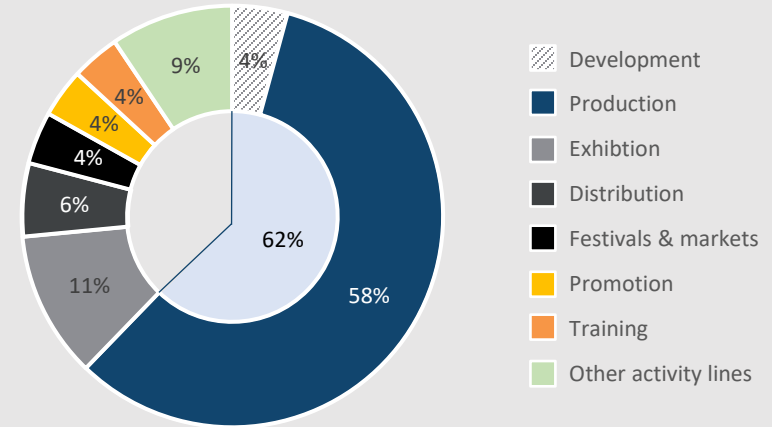
In line with the initial core purpose of most film funds, the majority of their funding has traditionally been going to support the **creation of works** and the period 2018 to 2022 was no exception.

In the case of **national funds**, **62%<sup>1</sup> of their net activity spend** (direct public funding) went to the production (58%) and development (4%) of film and other audiovisual works. In the case of **sub-national funds**, which generally have a narrower mandate compared to national funds, the share of support for the creation of works was significantly higher, namely **82%** of their cumulative net activity spend (73% to production, 8% to development).

The most important **other activity lines supported** by national funds were exhibition (11% of net activity spend), distribution (6%), festivals & markets (4%), promotion (4%) and training (4%). In the case of sub-national funds, training, exhibition and distribution represented the three most important other support lines, accounting for 3% of their total net activity spend, respectively.

**Figure 19: Breakdown of net activity spend – national funds Σ2018-2022**

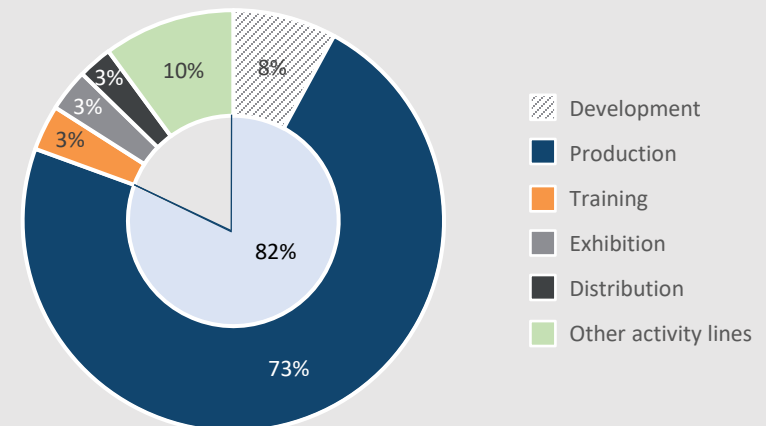
Based on a sample of 27 national funds with breakdown data by activity lines.



Source: European Audiovisual Observatory

**Figure 20: Breakdown of net activity spend – sub-nat. funds Σ2018-2022**

Based on a sample of 23 sub-national funds with breakdown data by activity lines.



Source: European Audiovisual Observatory

<sup>1</sup> Excluding France: 64% breaking down into 58% for production and 6% for development.

## Share of support for creation of works in direct public funding is decreasing, but is growing in the form of incentives

In the case of **national funds**, the **share of direct public funding support** going to the creation of works **declined from 66% in 2018 to 62% in 2022**. Excluding France from the data sample, the share even dropped from 72% to 64% of total net activity spend.

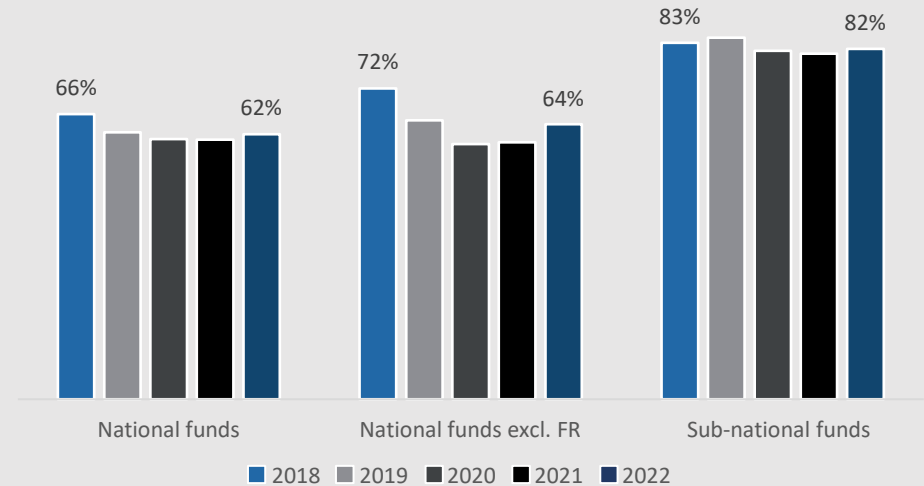
The declining share can be explained by the increase in direct public funding going to other activity lines rather than a decline in direct public funding of creation of works **in absolute terms**, which was **stable** over the time period covered as illustrated in Figure 22. Excluding France, support for the creation of works actually increased by 9%.

The **amounts of incentive support** dedicated to the development and production of films and audiovisual works provided by the eight national sample funds, however, **tripled** over the five years.

In contrast, the **share** of direct public funding awarded by **sub-national funds** to support the creation of works, **remained fairly stable** at around 82% to 83% (6% to 9% development and 70% to 74% production support), as it **increased by 45% in absolute terms** between 2018 and 2022.

**Figure 21: Share of creation of works in net activity spend 2018-2022**

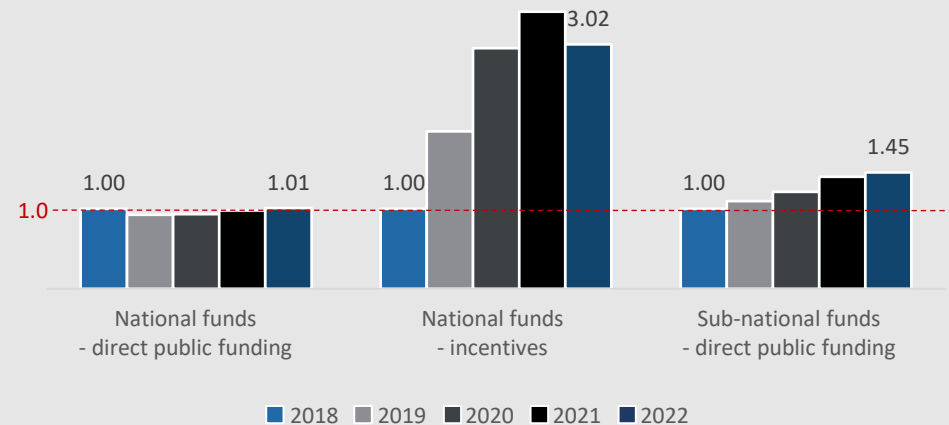
Based on a sample of 27 national and 23 sub-national funds with breakdown data by activity lines.



Source: European Audiovisual Observatory

**Figure 22: Support for creation of works by type 2018-2022 (indexed)**

Based on a sample of 8 national funds with incentives, 21 other national and 23 sub-national funds.



Source: European Audiovisual Observatory

## National funds have been providing increasing support especially for training and exhibition

The vast majority of support for activities other than the creation of works (other net activity spend) is provided by national rather than sub-national film funds. And the **share of other net activity spend** provided by **national funds increased** from 34% in 2018 to 38% in 2022 (excl. France, from 28% to 36%), while it appears to have remained fairly stable – ranging between 17% and 20% – in the case of sub-national funds.

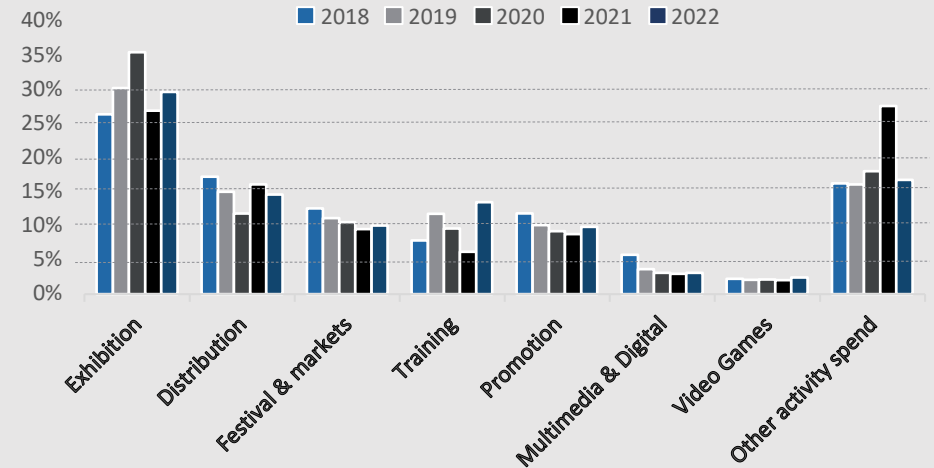
In the case of **national funds**, the **largest amounts** of other net activity spend went to the **exhibition sector** (26% to 30%), followed by distribution (15% to 17%), festivals & markets (10% to 13%), promotion (9% to 12%) and training (8% to 13%).

In monetary terms, support **amounts increased especially for training**, which more than doubled between 2018 and 2022, **exhibition** (+39%), and a variety of other support lines (+27%). Support for video games also increased by 34% but is comparatively low in absolute volume.

The strong increase in support to the exhibition sector and other support lines - particularly in 2020 - may largely be linked to COVID-related support measures.

**Figure 23: Breakdown of other net activity spend by type 2018-2022**

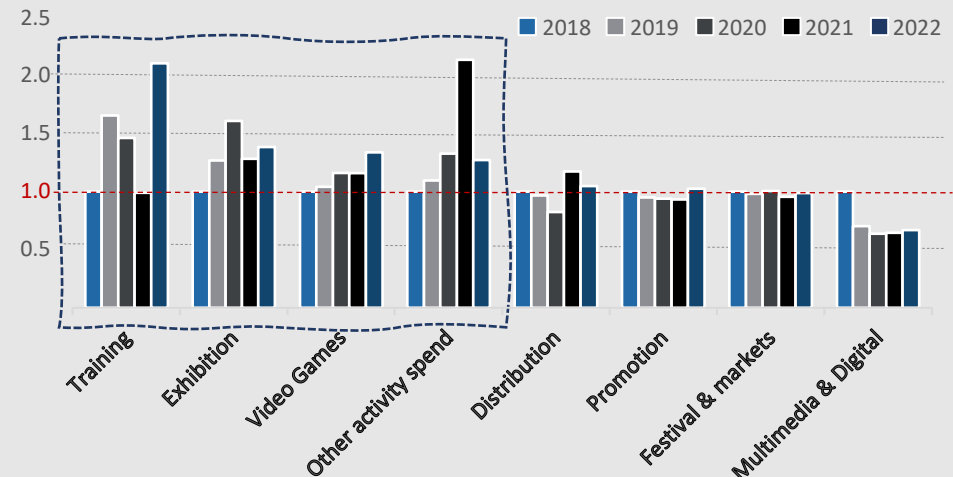
In % of total other net activity spend. Based on a sample of 27 national funds.



Source: European Audiovisual Observatory

**Figure 24: Other activity spend 2018-2022 (indexed)**

Based on a sample of 27 national funds. 2018 = n0.



Source: European Audiovisual Observatory

## Most direct public funding is provided as selective support, particularly in the case of sub-national funds

Direct public funding can be provided through automatic or selective support schemes. Most **direct public funding is provided as selective support**.

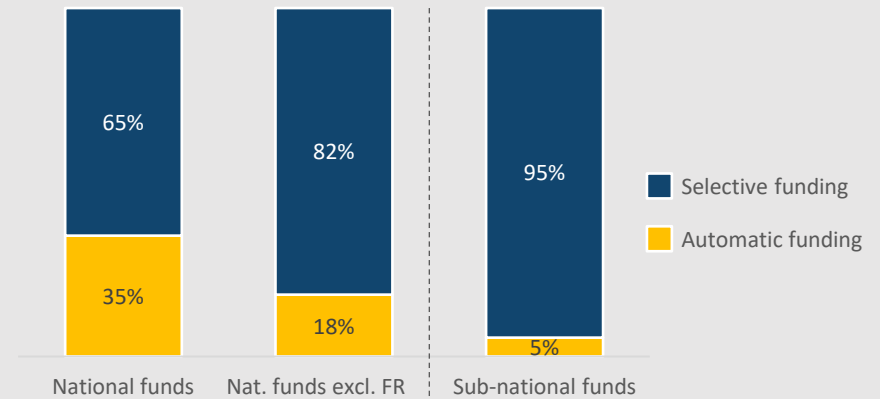
This is particularly true for **sub-national funds** which **only exceptionally choose automatic schemes**: only two out of 21 sub-national sample funds provided automatic support.

In contrast, 12 out of 28 **national sample funds** ran **automatic support** schemes which accounted for **35% of their cumulative net activity spend** between 2018 and 2022 (**18% excl. France**). Selective funding, hence, accounted for 65% (82% excl. FR) of total net activity spend of national funds.

On a pan-European level the **amounts and share of automatic and selective funding remained fairly stable**. However, it is worth noting that the amounts of **automatic funding** provided by national funds **outside France almost doubled between 2018 and 2022** and accounted for more than 20% of total direct public funding during the COVID years 2020 and 2021.

**Figure 25: Breakdown of net activity spend by type Σ2018-2022**

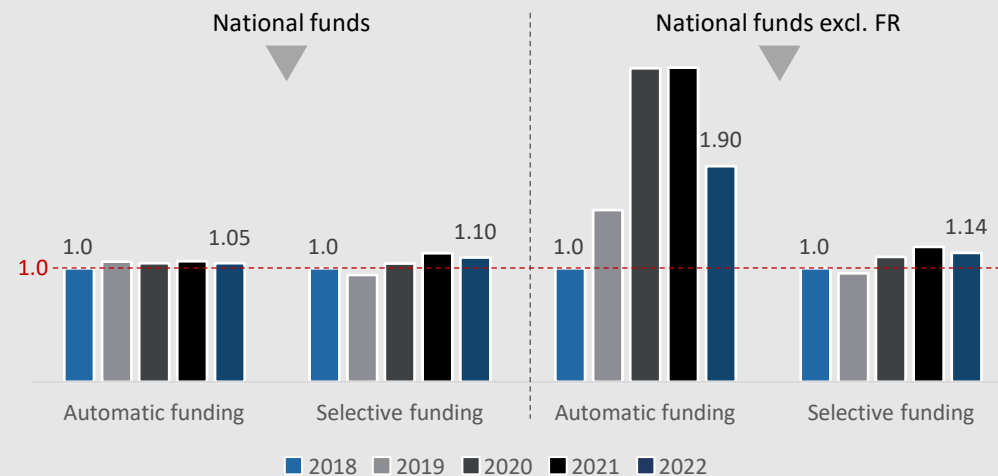
Based on a sample of 28 national and 21 sub-national funds for which this breakdown was available.



Source: European Audiovisual Observatory

**Figure 26: Development automatic and selective funding 2018-2022**

Indexed development with 2018=n0. Based on a sample of 28 national funds.



Source: European Audiovisual Observatory

## Automatic funding goes primarily to production and exhibition, while selective funding supports a wider range of activities

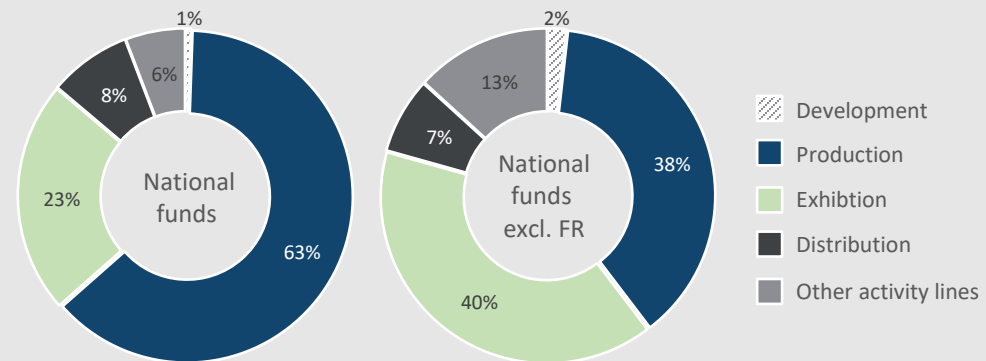
As illustrated in Figure 27, most **automatic funding goes to production and exhibition**. 63% of the cumulative automatic funding provided by the 12 national sample funds which provided such schemes between 2018 and 2022 went to production (38% when excluding France from the sample) and 23% (40% excl. FR) went to exhibition. Another 8% (7% excl. FR) went to distribution.

A comparison between Figures 27 and 28 illustrates that **automatic funding schemes support a significantly more limited number of activity lines when compared to selective funding** provided by national funds: 55% of selective national funding went to production, 6% to development, training, and festivals & markets, respectively. Another 5% went to exhibition and promotion and 4% to distribution. The breakdown is comparable when excluding France from the sample with a slightly higher share going to production (63%).

In the case of the **sub-national sample funds**, which almost exclusively provide selective support, the latter is less diversified with 87% going to the creation of works (79% to production and 8% to development). Another 3% went respectively to training and distribution.

**Figure 27: Breakdown of automatic funding  $\Sigma$  2018-2022**

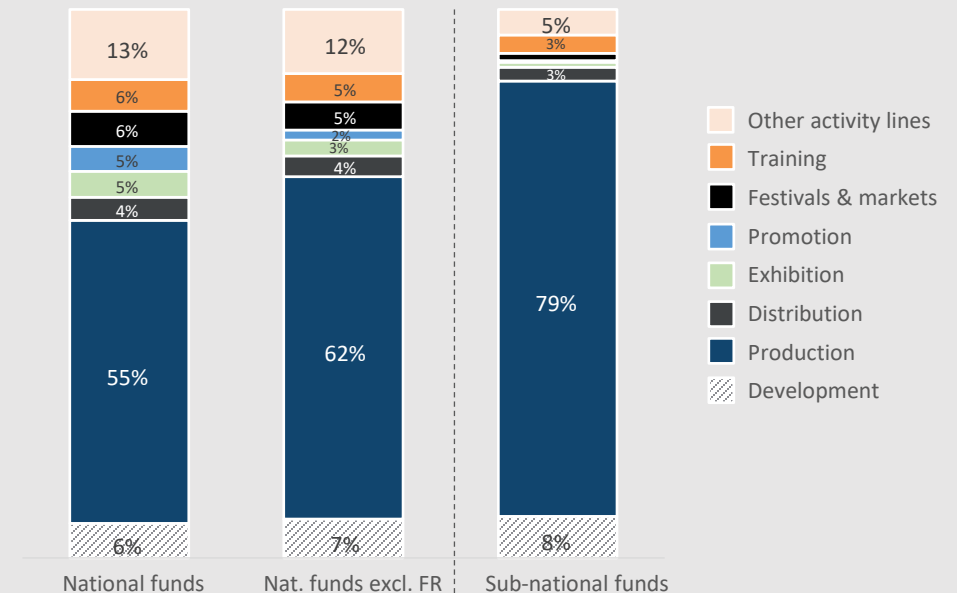
Based on a sample of 12 national funds for which this breakdown was available.



Source: European Audiovisual Observatory

**Figure 28: Breakdown of selective funding  $\Sigma$  2018-2022**

Based on a sample of 28 national and 21 sub-national funds for which this breakdown was available.



Source: European Audiovisual Observatory

## Most activity lines are primarily supported through selective funding, with the notable exception of exhibition

Figure 29 shows the breakdown of direct public funding into automatic and selective funding for each of the eight main activity lines.

In the case of **national funds**, the most **activity lines are supported primarily through selective funding schemes**.

A notable **exception** to this rule is **support for exhibition** where **73%** of total support comes from **automatic** schemes (76% excl. FR). Automatic funding also accounts for a significant share of distribution support (52%; 32% excl. FR), production (40%; 13% excl. FR) and promotion (22%; 32% excl. FR).

The use of **selective funding** schemes seems to be the **funding mechanism of choice** among **sub-national funds**, with only two out of the 21 sample funds providing automatic funding, going primarily to exhibition and promotion support.

As with all data related to sub-national funds, the low coverage of the sub-national data sample must be kept in mind, rendering these insights only indicative.

**Figure 29: Activity lines by type of funding Σ 2018-2022**

Based on a sample of 28 national and 21 sub-national funds for which this breakdown was available



Source: European Audiovisual Observatory

# APPENDIX







**More information:**  
**[www.obs.coe.int](http://www.obs.coe.int)**

