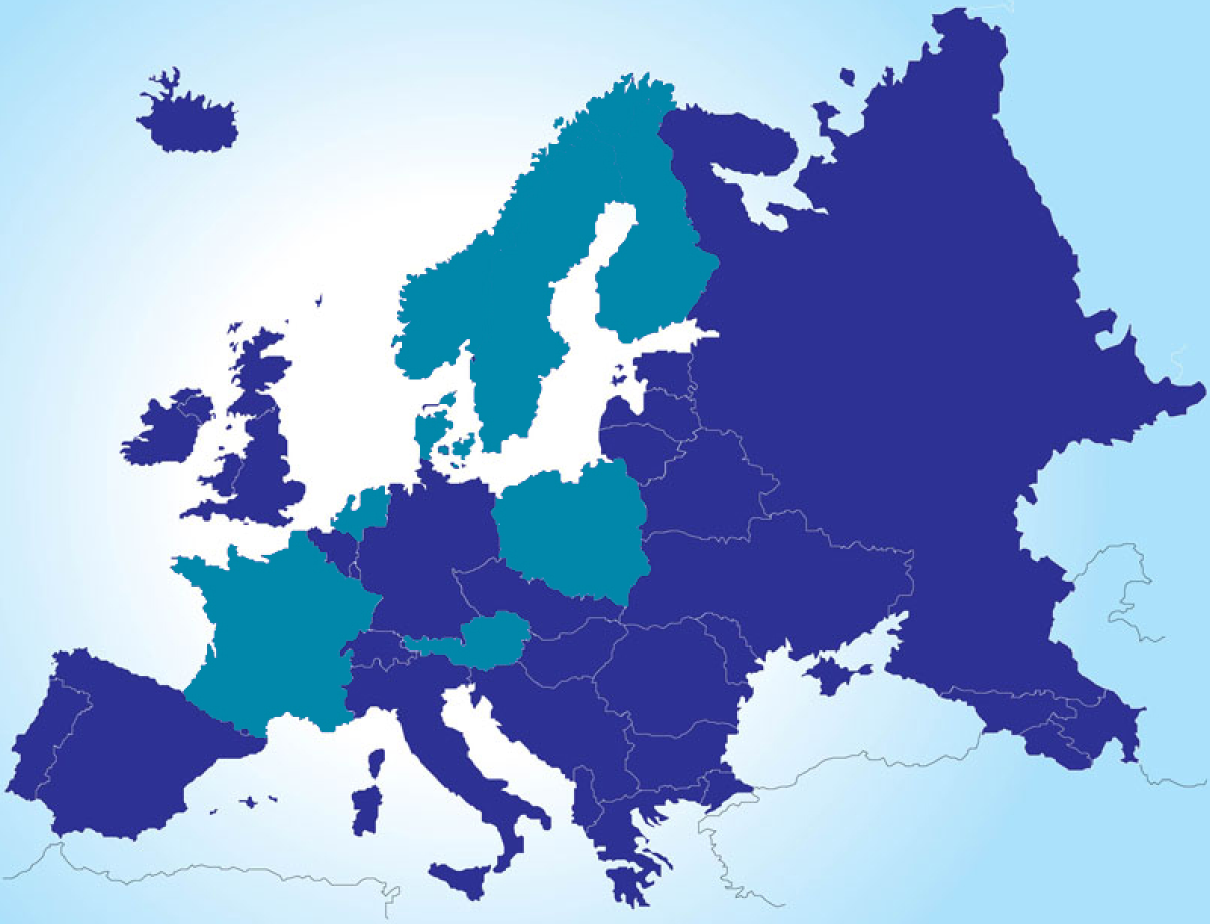
Financing of Film

A comparison of public film funding in eight European countries



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Summary

This study is a comparison of the public financing of film development and production in eight European countries, including Austria, Denmark, Finland, France, the Netherlands, Norway, Poland and Sweden. In focus are the regulation and financing of the national film institutes or equivalent, and the support schemes and budgets they employ.

The comparison is based on the regulatory documents setting up these organizations, their status in the public domain and their assignments. A second point of departure for the comparison is how the institutes are financed and the resources available to them for support of film production. We then move on to compare the support schemes at the different institutes, what the selection is based on and who makes that selection. In order to relate the conditions for the institutes and the applied processes to the outcome, we use the number of films produced in each country during the last ten years together with the number of admissions and the national market shares.

In the initial sections of the study we conclude that the financing of the organizations follows one of four principal models. There is the case with direct government funding from the state budget as in Austria, Denmark, the Netherlands and Norway. Another model is that of Finland where profits from the national lottery are transferred to the Finnish Film Foundation. In France and Poland the national film institutes are financed by a tax on those that exhibit the films at cinemas, on TV and through DVD/video as well as digital sales. The fourth and final model is that of Sweden which is a combination of direct government funding, a levy on gross box office at the cinemas and contributions from TV companies.

The support schemes for production funding have both selective and automatic elements in all countries in this study. In the selective systems the decision to give funding is based on an evaluation of the merits of each project. In the Nordic countries, and from 2013 also in the Netherlands, the evaluation is done by film commissioners, while a committee or a board comprised of members from the film industry, e.g. script writers, directors and producers, makes the decision in Austria, France and Poland. There are also examples of support systems where a film is awarded support on the basis of the box office it achieves.

The main purpose of this study is to form a basis for discussions on the pros and cons of different ways of financing and organizing public support for film production. It gives an overview rather than a detailed picture of the different institutes and support schemes, and aims at pointing out what it is that distinguishes one system from the others. The final part of the report contains short reviews of regulation, financing and support schemes, as well as production and consumption of film in each of the eight countries.

Contents

Introduction

Several of the goals stipulated for Swedish film in the Swedish Film Agreement have an international comparative perspective. Thus, Swedish film should have the highest national market share in the Nordic Countries. Sweden should be a European leader in development, production and distribution using new media, as well as in film for children and young people and in documentary film. Furthermore, Swedish Film shall be represented at the ten most important international film festivals and in competition at the film festivals in Berlin and Cannes.

It is therefore interesting to look into different ways of setting up state support for film in other European countries. This review aims at describing the public support for film production and the film institutes or equivalent that exist to implement this in eight countries. The review covers the role that the national organizations have, how the regulation of the institutions is organized and how detailed it is, how the organizations are financed, their support schemes and what priorities they make. It also describes the outcomes of the different systems in terms of number of films produced and national audiences at the cinemas.

By necessity the description of the different countries will in many respects not be very detailed, instead it aims at pointing out what characterizes each country. The organizations described here have in most cases fairly broad assignments covering more than support for film production. To different degrees they also concern support for marketing and distribution of films nationally as well as internationally, support for the preservation and making available of the film heritage, development and diffusion of the knowledge about film, support to exhibitors, distributors and film festivals, to name a few. Since the focus here is on financing and production of film, these other tasks are not covered in any detail.

The countries included in the study apart from Sweden are our Nordic neighbours Denmark, Finland and Norway, as well as Austria, France, the Netherlands and Poland. We share several of our prerequisites with the other Nordic countries. France is generally considered to be very successful when it comes to film, the Netherlands has the same challenge when it comes to language but is still a little bigger, Poland introduced a new Film Law fairly recently which changed the conditions for film production fairly dramatically and Austria is a country of comparable size but with different conditions when it comes to export thanks to the proximity of the German market. The choice of countries is to some degree also oriented towards finding differences when it comes to how the public financing of film is organized.

To reach conclusions on what it is that leads up to certain results only by studying how the public financing is organized is not possible. Not least, the financing that the film industry itself supplies is important when it comes to deciding which films ultimately get produced. In addition TV, regional public funds, international funds and private investors are important. This study therefore primarily aims at providing a background for discussions on the pros and cons of different public financing systems.

The first part of the report describes and compares the regulation and financing models of the institutions. This is followed by a comparison of the different support schemes employed by the institutions as well as a comparison of the film production and film consumption in the eight countries. The second part of the report encompasses descriptions of these aspects for each country.

Facts and figures for 2012 regarding the organizations, their budgets for support for film production as well as figures about film consumption. The budgets for film production does not include budgets for TV-drama, interactive media, computer games etc. that the organizations might have.

	Denmark	Finland	France	The Netherlands	Norway	Poland	Sweden	Austria
Population (millions)	5.6	5.4	63.4	16.7	5.1	38.2	9.6	8.5
Name	Danish Film Institute	The Finnish Film Foundation	CNC	Netherlands Film Fund	Norwegian Film Institute	Polish Film Institute	Swedish Film Institute	Austrian Film Institute
Active in present form since (prev.)	1997 (1972)	1969	1946	1993	2008 (1955)	2005	1963	1981
Financing of film production budget	Gov. budget	National lottery fund	Tax on admissions, TV, DVD, digital	Gov. budget	Gov. budget	Tax on admissions, TV, DVD, digital	Gov. budget, TV, cinema levy	Gov. budget
Budget for prod. and dev. of film (m€)	33.3	26.7	123.4	23.9	36.9	22.3	36.3	14.8
Budget per capita (€)	5.9	4.9	1.9	1.4	7.2	0.6	3.8	1.7
No. of national films on first release	31	40	209	65	23	37	42	41
per million inhabitants	5.5	7.4	3.3	3.9	4.5	1.0	4.4	4.8
Admissions (millions)	13.6	8.5	204	30.6	12.1	38.5	18.4	16.4
Admissions per capita	2.4	1.6	3.2	1.8	2.4	1	1.9	1.9
National market share	29%	28%	40%	16%	18%	19%	22%	4%
No. of films at 10 festivals[1]	39	13	237	100	11	29	34	21
in competition in Berlin/Cannes	2	0	13	0	0	0	0	2

1. Number of films in the official sections at 10 international film festivals: Annecy, Berlin, Cannes, Clermont-Ferrand, IDFA, San Sebastian, Sundance, Toronto and Venice.

How are the film institutes regulated and financed?

All institutions covered in this study are public in one form or another and act under the authority of the ministry of culture or corresponding ministry in each country. In Finland and Sweden the organizational form is public foundations while in the Netherlands it is a national film fund. In all the other countries covered here the institutions are governmental agencies.

The French CNC is the oldest, created in 1946, while the Swedish Film Institute was created in 1963 and the Finnish Film Foundation in 1969. The Danish Film Institute has had its present form since 1997 but the organization for film funding has been similarly organized since 1972 and other precursors before that. The Austrian Film Institute has served since 1983 while the present Netherlands Film Fund is the result of a merger of two previous funds in 1993. The Polish Film Institute as it functions today is the result of the new Film Law from 2005 which quite extensively changed the conditions for film production in Poland, although other institutions did exist before that. The Norwegian film institute has a long history but has only had its present form since 2008 when several previous institutions in the area of film merged.

The governing of the institutions is based on different types of regulations with different durations. There are Film Laws such as the ones in Denmark (last put into effect 1997), Finland (2000), France (1946), Poland (2005) and Austria (2010). The governing can also be formulated in multiannual agreements formulated in strategic plans as is the case of the Netherlands (2009-2012), or Film Agreements as in Sweden (2013-2015). Film Agreements or other multiannual strategic plans are also established to complement the national Film Laws, for example in Denmark (2011-2014) and Finland (2011-2015).

The different Film Laws and Film Agreements set out the tasks, objectives and priorities of the institutions, apart from specifying the organizational and institutional conditions. For all the institutions covered here one of the objectives is to support the development of a strengthened film industry. However, the other tasks vary and some have comparatively narrow focus. The film fund in the Netherland for example, has a clear focus to support film production while other national institutions takes on some of the tasks done by several of the institutions in this comparison. In Norway, the tasks have been divided between the Norwegian film institute and Film & Kino which, among other things, deals with support for cinema exhibitors.

The financing of the institutions can be attributed to one of four models. There are direct allocations from the state budgets as is the case in Austria, Denmark, the Netherlands and Norway. Another model is that used in Finland where profits from the national lottery and gaming funds are transferred to the Finnish film foundation. In France and Poland the resources used for film production support are mainly financed through special taxes on the turnover of TV stations, a levy on cinema tickets and a tax on video/DVD and digital sales and rentals. For tasks besides film support these organizations receive separate funding. In Sweden the budget used for film support is made up of contributions in the Film Agreement and is essentially a combination of appropriations in the government budget, contributions from the public services and several private TV companies, as well as a levy on cinema tickets whereby 10 per cent of the gross box office is transferred to the Swedish Film institute to be used primarily for production of new Swedish film.

Although the obligations of several of the other institutions include both promoting and supporting the film industry as well as relying on the film industry for financing, it is fair to say that the Swedish Film Agreement is unique in that the industry is a party in the agreement that governs the national film institute’s activities.

Support for film production

The support schemes for the development and production of national film have several similarities between the different countries. On the other hand there are marked differences both regarding who makes the decisions and how different elements of support are combined, and where the most emphasis and most resources are allocated. No two systems are identical. All the countries in this study have selective support schemes based on the evaluation of qualities in the proposed film project. In Austria, France and Poland the selection of projects is the task for a committee or board comprised of members from the film industry, i.e. script writers, directors and producers. In the Nordic countries the selection is done individually by film commissioners. This system is now used also in the Netherlands where committees were used previously.

The basis for the evaluation whether it is done by commissioners or committees is in many countries laid down in the Film Law or Film Agreement. The criteria include but go beyond artistic qualities, feasibility, economical prerequisites, importance for the national culture, importance for the development of the national film industry, etc. From the regulating documents it is possible to determine which aspects are deemed most important. Thus, the Polish Film Law puts strong emphasis on the fact that the artistic quality should have highest priority. This aspect is also put forward in the selective support schemes in Austria, Denmark, the Netherlands and Norway.

Apart from the selective schemes there are in all countries different forms of automatic or semiautomatic support where the decision to give support is not based on evaluation of individual projects. One such is the support given to a film based on the box office achieved at the cinemas, a scheme which can be found in Finland, Norway and Sweden. In Austria there is a support scheme in which support is given to a new project based on the applicant's success with their previous film, their reference film. The success is either measured in terms of artistic quality in which case the success is demonstrated if the last film has been shown at an international film festival, or in terms of box office in which case a certain limit should be achieved. A similar system is also used in France whereby producers get support based on the income from admissions and sales of DVD/video and TV rights. France also has an automatic support in the form of a tax rebate where 20 per cent of the production costs, up to a limit and for certain specified costs, are exempt from taxation.

In Poland the selective scheme is not available for commercial films, or films with high audience potential. However, such films can receive support in the form of interest free loans. Similarly, several of the countries have specific support for films with high expected numbers of admissions. The market support in Denmark is one such scheme, which besides the audience potential still involves an evaluation of the story and the financial conditions. The evaluation is in this case done by a committee consisting of people from the film industry and the Danish film institute. The Screen NL Plus in the Netherlands is also a market support in which films which have 70 per cent of the financing in place may apply to the Film fund. Also Norway and following the latest Film Agreement Sweden, have a market support schemed for films with high audience potential.

All the countries also have specific support schemes for international minority co-productions. Script and project development are in focus in some systems more than in others. There are also specific programmes aimed at developing both talent and the film art in each country. Denmark has had its *New Danish Screen* since 2003; *New Screen NL* and *Nya vägar till* serve a similar purpose in the Netherlands and Norway respectively. Starting in 2013 Sweden has the new scheme *Moving Sweden* with a similar purpose, as have previous support models such as Rookie which was in place between 2007 and 2009. Other ways of securing the development of talent is to use it as a criterion in the selective support or to have different support levels if it is a debutant or the film has a low budget. This approach can be found in Austria and Poland.

Production and consumption

There is of course a relationship between the resources available to the public institutions and the number of films produced in each country, even if films are produced also without support from them. As this report is focused on the public institutions' support for film production, it is still of interest to compare the budget available to them and the number of films that receive support.

In France the CNC budget for development and production of film totalled a little more than 120 million euros in 2012, while in Austria's film institute the corresponding budget was barely 15 million euros. The other countries fall between these extremes. A larger budget of course means that more films get support, which also means stronger support for the film industry as a whole. However, if we instead compare the size of the support budget per capita we realize that in both France and Austria each citizen spends about 1.9 and 1.7 euros respectively on film production. The public institutions' budget per capita is in fact highest in Norway at 7.2 euros, followed by Denmark with 5.9 euros, while Poland is at the other end with 0.6 euros per capita. All the Nordic countries are at the higher end of the spectrum as can be seen in the table on page 6. It is important to keep in mind that the population in the Nordic countries are the smallest in the study and thus have smaller markets. However, the need to produce a sufficient number of films in order to maintain a vigorous production environment is still the same.

The number of national feature-length films, fiction and documentary, which premiered in 2012 varied from 23 in Norway to 209 in France. Again putting these figures in relation to inhabitants we find that the differences are smaller. In fact in all countries except Finland and Poland four to five feature-length films premiered in 2012 per million inhabitants. In Finland the corresponding number of films was seven and in Poland one. Apart from in Denmark and Sweden, where no clear trend exists in the number of films premiered, the number increased in all countries in this study. And in several cases it is possible to see the increase as a result of political initiatives. For example, the number of national films premiering in Poland per year almost doubled as a result of the new Film Law from 2005. Also in Austria, Finland, the Netherlands and Norway, where new targets and increased resources for production support have been introduced, have seen an increase in the number of national films. In France an increased focus on international co-productions in the regulation and support schemes has resulted in a rise in such films, as well as maintaining or even increasing the number of French productions or majority co-productions.

If we turn to the reception of national films at the cinemas, it is France that has the highest national market share; 40 per cent of the tickets sold concerned French films. In this context it is worthwhile to note that 40 per cent of the repertoire in French cinemas is required to be European films. Again we find Austria at the other extreme where the national market share has been barely four per cent, and with no visible effect of increased resources and an increase in the number of films produced. In Poland on the other hand the increase in production volume and focus on Polish film has also led to an increase in the national market share. In the Netherlands and Norway a similar effect can be seen over the last ten years even though there was a drop in 2012. Second only to France, Denmark has the highest national market share of the countries in this study, with a variation between 25 and 30 per cent. There are several examples in support of the idea that a few titles may have a strong effect on the number of tickets sold to national films. In Finland the market share reached 28 per cent in 2012, the same level as Denmark, after having been only 10 per cent in 2011. The same is true for Sweden where the market share has varied around 20 per cent the last ten years except in 2009, when it reached 33 per cent following the success of the films in the *Millennium* trilogy.

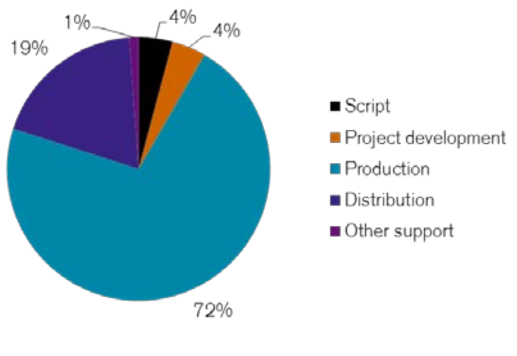
Austria

The Austrian Film Institute is a federal institution established in 1981 with the purpose of strengthening the Austrian film industry. The assignments include support for production, distribution and marketing of Austrian films, as well as cultural, economic and international aspects of the film industry by measures aimed at developing new talent, and presenting an annual film industry report. Further the institute shall improve the international orientation of Austrian film, support international co-productions, support co-operation between film and television providers and act to harmonize and increase the co-ordination of film support from the federal and regional level.

The institute's budget is based on appropriations in the government budget. In 2012 the total budget amounted to 16.6 million euros. It is worth noting that the budget during the last ten years has doubled and for 2013 is 20 million euros.

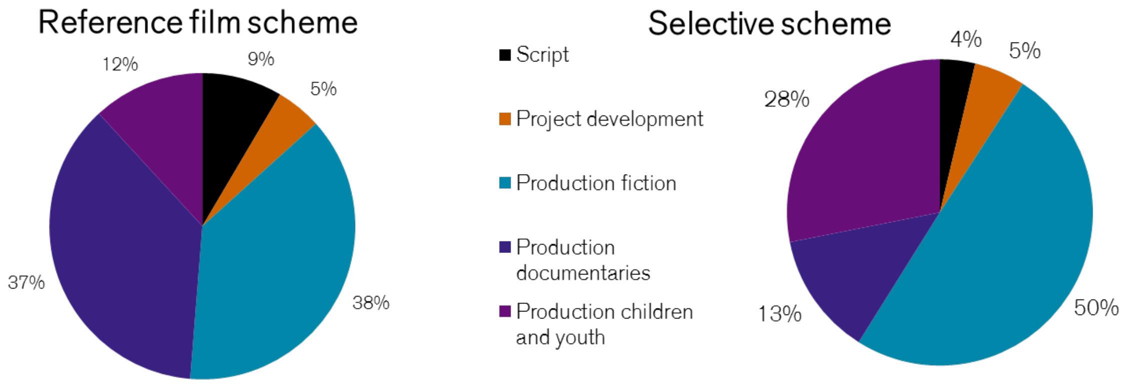
The Austrian Film Institute shall, according to the most recent Film Funding Act (2010), distribute film support in two ways, based either on the evaluation of new projects or on the applicant's most recent film – the 'reference film support'. In the evaluation of projects those that are expected to have artistic and/or economic success shall be selected, or those that favour the development of new talent. In order to receive support based on a reference film the producer needs to have a film which has proven to be either artistically or financially successful. The criterion for artistic success is that the film has been selected to participate in or has won a prize at an important international film festival, while financial success is measured in the number of admissions. The guidelines specify which festivals and the admission levels to achieve, as well as the special criteria that apply to documentaries, films for children and films by new talents.

Support is given to script and project development, to production including international co-productions, to marketing and to professional training dealing with creativity, as well as technical and economic aspects. The decisions on support are made by a committee consisting of the institute's director and four experts all active in film production and representing script writing, directing, production and marketing. When it comes to support for script development the decision is based on a suggestion from an advisory group of six persons, two each from production, directing and script writing.

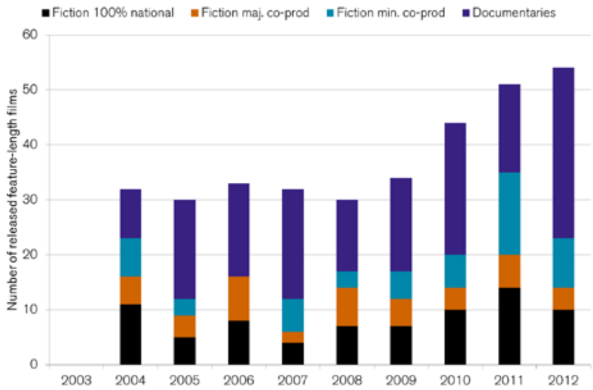


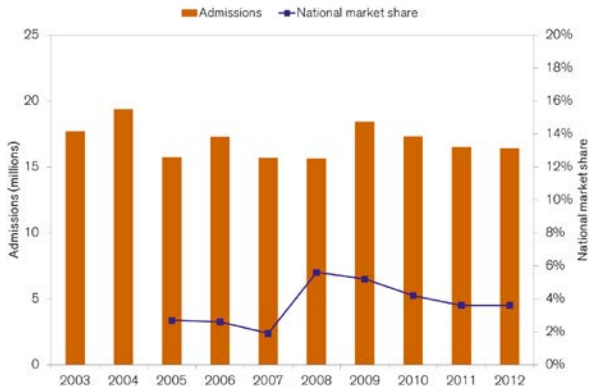
In 2012 a total support amount of 16.1 million euros was distributed. 80 per cent was used for production and development of film, 19 per cent for distribution and the rest for training and other forms of support.

31 per cent of the support for production and development was distributed via the reference film system, and 69 per cent based on the evaluation of individual projects. The charts below show the share that went to script development, project development and production of different types of film in the two schemes respectively.



During the last ten years when the institute's budget has doubled the number of Austrian films released has also increased substantially. Up to 2009 the number of films was a little more than 30 films per year, while the number in recent years has been more than 50. Especially the number of co-productions and documentaries has increased.





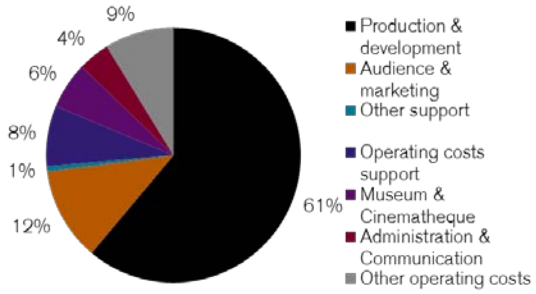
The total number of admissions in Austria has during the same period remained fairly constant. In 2012 there were 16.4 million admissions which is slightly above the average for the last ten years. Despite the increased number of released Austrian films the national market share has remained fairly stable. In 2012, 3.7 per cent of admissions related to an Austrian film.

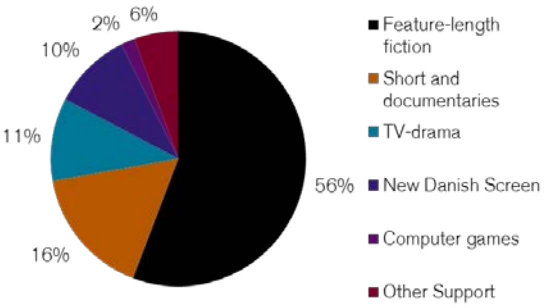
Denmark

The Danish Film Institute (DFI) is the government agency for film and cinema operating under the Ministry of Culture. The institution was founded in 1972 as a consequence of the Film Act from the same year with the aim of gathering and clarifying how the public funding of film was best organized. The institute has been in its present form since the Film Act of 1997, when the previous DFI was merged with the National Film Board of Denmark and the Danish Film Museum. The tasks of the DFI are set out in the Film Act and cover financial support to script and project development, production, promotion, distribution and exhibition of Danish film. Also increasing knowledge about film in Denmark and promoting sales and knowledge about Danish film internationally. It is also within the scope of the DFI's brief to preserve and make available film and material about film, to have a broad range of public activities concerning film, to secure a dialogue between the film industry and the audience about the institute's activities, and to promote a professional and experimental film art and talent development.

Since 1999 policy agreements for periods of four years are drawn up between the government and the Danish Film Institute. The agreements specify political orientation and priorities, as well as indicating the budget for the institute for the next four years. The latest agreement covering 2011 to 2014 stipulates a mission for the DFI to act in favour of a healthy and viable production environment, to have a flexible support system aimed at diversity and innovation, to secure long-term talent development and to give support to the development of computer games. The agreement also contains assignments concerning the digitalization of smaller and arthouse cinemas, to promote Danish film abroad and an assignment to contribute to a vivid and diversified film culture.

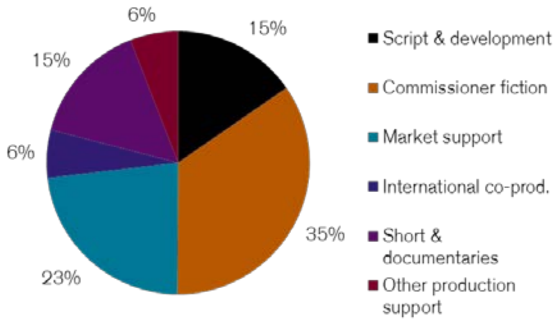
The budget for the Danish Film Institute is based on appropriations in the state budget and amounts to a total of 63 million euros in 2013. Of this, four million euros is licence fees from public service TV and is intended for production of TV drama. The distribution of the budget across the different activities of the institute is shown in the chart below left. 38 million euros, or 61 per cent, relates to support for production and development. The chart to the right shows the distribution of this part of the budget on different support schemes.





The support for feature-length fiction film, which makes up over half of the production and development budget, is distributed via different support schemes. Support for script and project development represents 15 per cent, while the largest part is used for production support based on the commissioner scheme that has been in place at the DFI since 1972 in different guises. There are three commissioners for feature-length fiction film where, one of whom focuses on film for children and young people. In addition there are three commissioners for similar support schemes for short and documentary film; also in this case one of them focuses on films for children and young people. Critical to a successful outcome are the cinematic and artistic qualities of the project based on an evaluation of originality, thematic treatment, narrative techniques, expression, character and the cinematic universe.

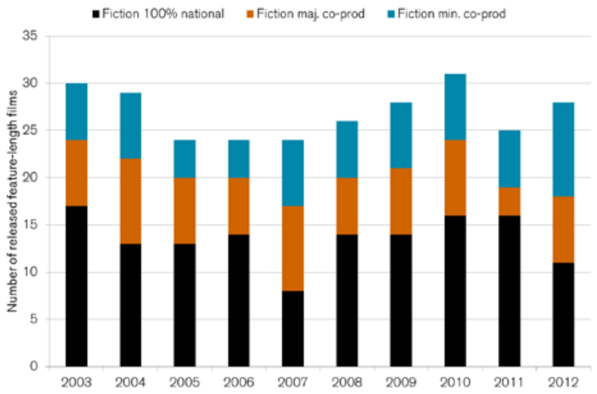
The new market support which was introduced in the latest film policy agreement, aimed at commercial films with a clear potential to reach a large audience, comprises 30 per cent of the support budget for feature-length fiction film. The support is based on an evaluation of the story, the audience and distribution potential, marketing plans and economic feasibility. The evaluation is performed by a committee with representatives from the film industry and DFI. The film policy agreement states that by the end of the period there should be a balance between the number of films receiving support from the selective commissioner scheme and market support respectively. There are also specific support schemes for feature-length fiction film aimed at minority co-productions and regional production. In addition, since 2011 the DFI is able to use 8 per cent of the production budget for films aimed at an international audience.

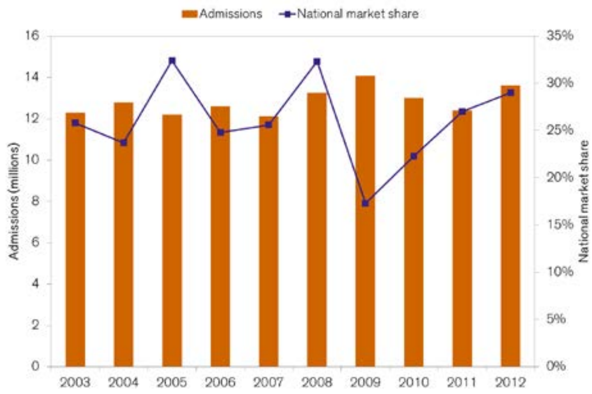


Together with the latest film policy agreement, there was also a media policy agreement drawn up for the same period in which the public service TV companies DR and TV2 were directed to use 7.5 million euros per year on average for Danish film. About 1 million of this is transferred to the DFI to be used in the talent development programme New Danish Screen, introduced in 2003. The other 6.5 million euros is used to buy viewing rights for Danish films, where one-fifth should be used for shorts and documentaries and the rest for fiction. One quarter of the total sum should be used for films for children and young people.

The average support share for the 18 Danish feature-length fiction films supported in 2012 was 29 per cent and the average production budget was 3.3 million euros. For the 27 feature-length documentary films the support share was 40 per cent and the average production budget around 400,000 euros.

The total number of feature-length fiction films supported per year during the last ten years is shown below left. Including minority co-productions it has varied between 25 and 30 films per year with an average of 27. The ratio between national films and minority co-productions has remained fairly constant during the period.





The total number of admissions per year at the cinemas has also been relatively constant during the last ten years with an average of 12.8 million. The Danish market share during the same period has been on average 26 per cent and has varied between 25 and 32 per cent, except during 2009 when it went down to 17 per cent. During 2012 there were 13.6 million admissions, of which 29 per cent were to a Danish film.

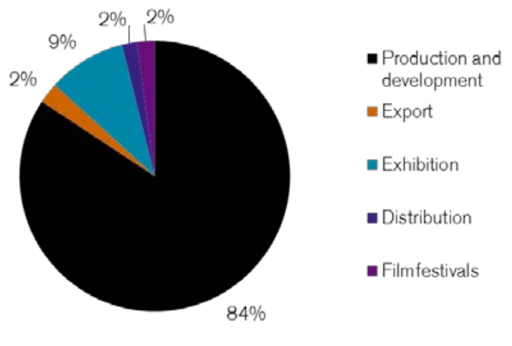
Finland

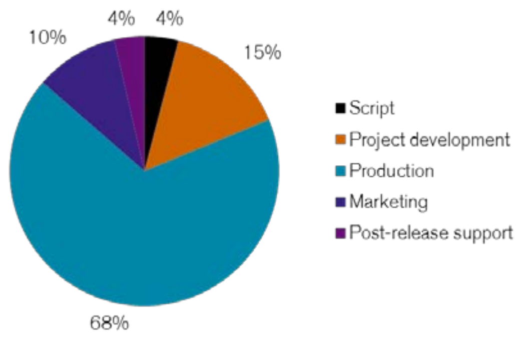
The Finnish Film Foundation was founded in 1969 and is an independent foundation supervised by the Ministry of Education and Culture. The present assignments are stipulated in the Film Promotion Act and Decree from the year 2000. The assignment includes support for the production and distribution of film as well as promoting film culture in Finland and internationally. The support is primarily directed partly to production and distribution companies, and partly to cinemas, film festivals and international marketing. The latest Target Programme for Finnish Film covers the period 2011 to 2015 and focuses on increased support for production and development of Finnish film, increased investments in a digitalized network of cinemas, and an obligation for Finnish public service TV to promote film and film culture. Also strengthening the export of Finnish film, focusing on international co-productions and on how copyright for audio visual content can be secured in a changing media landscape.

The budget of the Finnish Film Foundation is based on a government appropriation which transfers profits from the national lottery and pools funds. In 2013 the total budget is 27 million euros, which means that it has increased by 11 million euros since 2008. To a large extent this follows from the focus on strengthened support for production in the target programme, which has led to an increase in the support for production and development by 7 million euros during this period.

There are several schemes of support for the production of film including script and development, advance production funding, marketing support and a box office bonus. The advance production funding is based on the evaluation by a film commissioner of the content, expression and production prerequisites of a proposed project, and includes assessment of the script, budget and financing plan and preliminary marketing and distribution plans. There are a total of four commissioners, two for feature-length fiction films and one each for documentary and short films. Eligible to receive funding are Finnish production companies. Normally the support is limited to 50 per cent of the budget, but for low budget films and 'art-house' films the level of support may be 70 per cent. There is in addition a specific support scheme for minority co-productions.

The Finnish Film Foundation also employs support schemes for distribution, cinemas, import, film festivals and various export activities. In 2012 the total support budget was 27 million euros. The left chart below shows how this was divided between different major support areas.



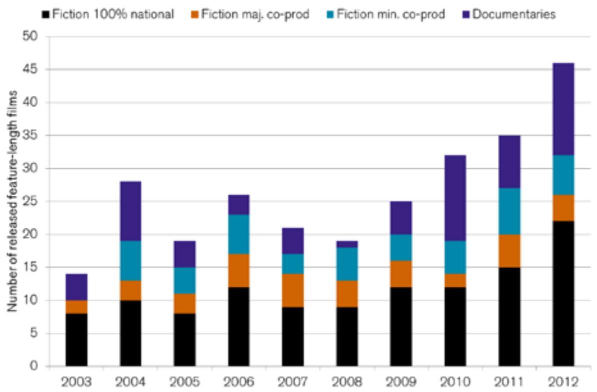


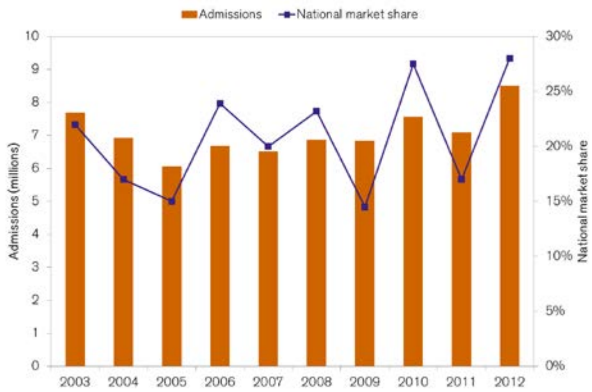
In 2012 the total support budget for production and development was 22.5 million euros. 19 per cent of the budget was devoted to support for script and development while production support amounted to 68 per cent. The post-release support based on admissions was 4 per cent, while 10 per cent was for marketing and distribution.

During 2012, 78 per cent of the support was aimed at feature-length fiction films, while feature-length documentaries and short films amounted to 13 and 9 per cent respectively. Of the total support budget, 5 per cent went to minority co-productions.

The average support share for the 25 feature-length fiction films was 28 per cent, while the 30 documentaries had a support share of 37 per cent.

The number of Finnish films that premiered at the cinemas has increased substantially in the last ten years, reaching over 45 films including documentaries in 2012. It is above all the 100 per cent national films and documentaries that have increased. The total number of admissions has been fairly constant during the same period with an average of 7.1 million admissions per year. However, in 2012 the admissions reached 8.5 million which is the highest admission figure during the last ten years. Also the national market share reached a high level in 2012, with 28 per cent of tickets sold relating to Finnish films. Together with 2010 this is the highest national market share during the last ten years.

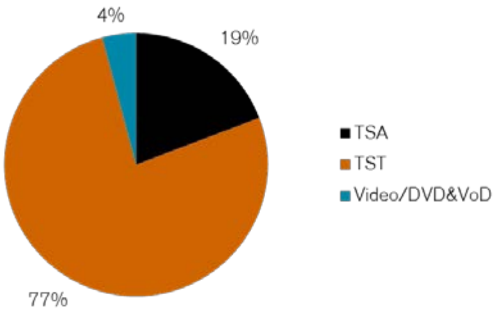


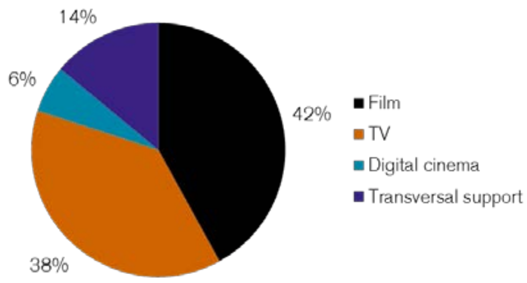


France

Centre National du cinéma et de l'image animée (CNC), created by law in 1946 and set up as a separate and financially independent entity, is the French national film agency under the authority of the Ministry of Culture responsible for implementing the government's policy for film and moving images. Assignments include a regulatory function, support for film, TV, multimedia, computer games and technical industries related to film. Other tasks include the promotion of French film and TV for all audiences regardless of platform, and finally to preserve and develop the film heritage.

The CNC support budget is based on taxes on cinema tickets (TSA – Taxe spéciale additionnelle, 11 per cent on box office), on TV companies' turnover or advertising revenues (TST – Taxe services de télévision, 5.5 per cent) and on sales and rentals from DVD/video and VoD transactions, all transferred to a support fund. Activities concerning regulation, international activities, archiving, support for professional organisations and education are financed through appropriations from the ministry. In 2012 the total amount transferred to the support fund was 664 million euros. The left chart below shows the contribution from different sources, and the right chart how the support is divided between the general categories. Transversal support concerns DVD/video, VoD, innovation and computer games, as well as promotion and export.

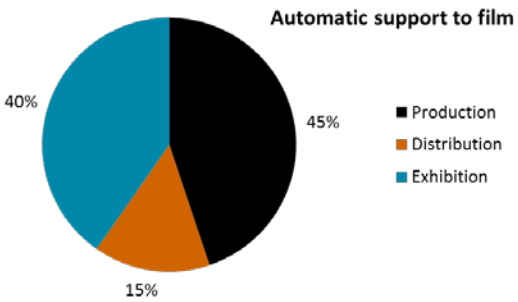


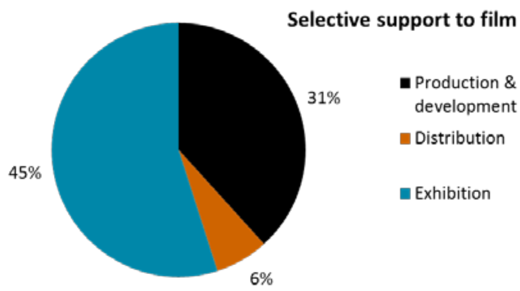


CNC has a number of different support schemes, both automatic and selective. The decision in the selective schemes is made by committees with representatives from the French film industry. One automatic support scheme for film production is a tax rebate system where 20 per cent of certain specified production costs, up to 1 million euros, is exempt from taxation. A new bill yet to be agreed in 2013 proposes to lift the ceiling for the production costs to 4 million euros and to include more cost types. A similar tax rebate has in recent years been introduced for international co-productions. The other major automatic scheme gives support to producers and distributors based on the total revenues from cinema, DVD/video sales and sold TV viewing rights for their last production

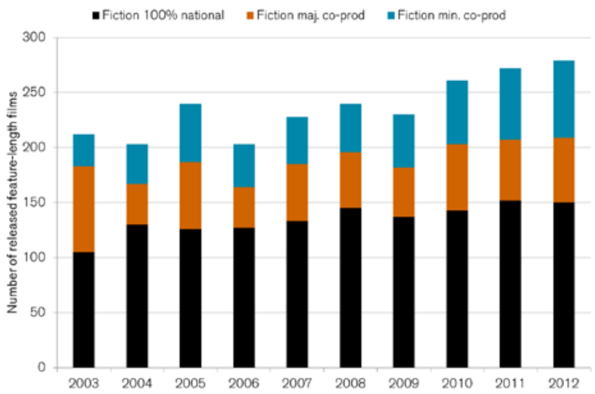
One of the selective supports concerns script and project development, while another is an interest free loan ogiven based on an evaluation of a script or a final production. There are also selective support schemes for international co-productions and specific bilateral agreements with a number of countries. In addition, both automatic and selective schemes are available for both distribution and exhibition of films at cinemas.

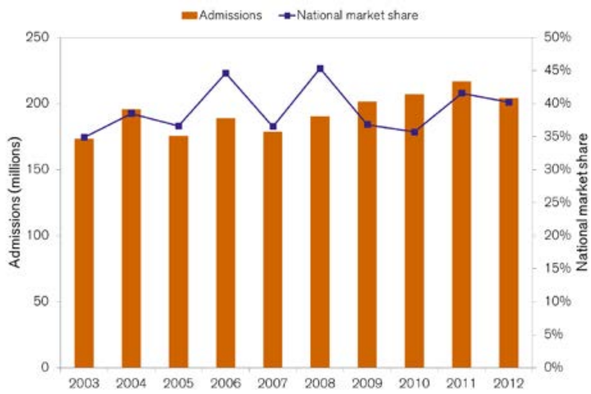
Support for film production was evenly divided between the automatic and selective schemes during 2012, while the automatic support made up 70 per cent of the support for TV productions. The division of support between production, distribution and exhibition for the automatic and selective support schemes concerning film is shown in the charts on the next page, left and right respectively.





The total number of feature-length films, both fiction and documentaries, with French involvement that have been released to cinema per year has increased from 212 in 2003 to 279 in 2013. This is true both for French productions and minority co-productions.



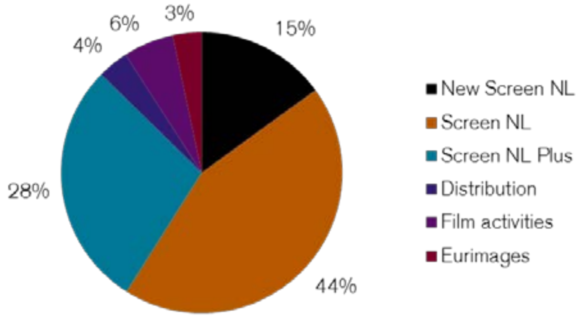


During the same period the total admissions to cinema in France increased. In 2012 there were a total of 204 million admissions, which is a rise of 20 per cent compared to 2003. The French national market share has been relatively constant at around 40 per cent, with peaks in 2006 and 2008.

The Netherlands

The Netherlands Film Fund is the national agency for supporting film production in the Netherlands, and it acts under the Ministry of Culture. The fund was created in 1993 following a merger of two funds. It is focused on the quality and diversity of feature-length fiction films, short and documentary films, animation and experimental films. The activities concern support for development, production, distribution and marketing. The assignment also includes promoting a good climate for the national film industry. Other tasks concerning film, which in many countries are included in the tasks for the national agency, are in the Netherlands carried out by others such as the Eye Film Institute.

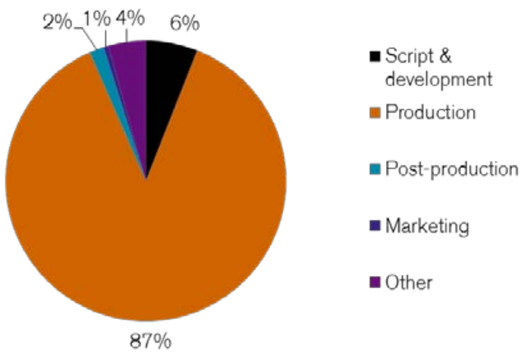
The total budget of the Netherlands Film Fund in 2013 is 27 million euros. How the budget is divided between different activities is shown in the chart below. The budget for 2013 is considerably lower than previous years. During the previous four years the budget was about 10 million euros higher.



87 per cent of the budget in 2013, or 24 million euros, is intended as support for production and development, distributed within the framework of three different programmes. New Screen NL is focused on renewal and talent development for experimental film and for short films including animation, while Screen NL gives support to fiction, feature-length animations and documentaries, including minority co-productions. In both these programmes decisions on support are taken by the director based on suggestions by film commissioners. There are in total seven commissioners, three for New Screen NL with one being responsible for animations, and four for Screen NL with one being responsible for documentary films. The evaluation concerns the content, the artistic potential of its concept and story, and the potential of the team involved. The third programme is Screen NL Plus which includes one automatic scheme for film production. It gives additional support to projects with significant commercial potential and where 70 per cent of the budget is in place. The support is granted on a first-come, first-served basis.

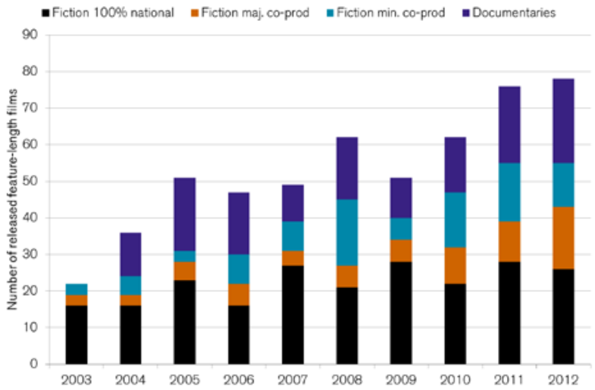
Eligible to receive support from the Netherlands Film Fund are Dutch production companies. Individual directors and script writers are able to apply for support for experimental films and animations if the budget is lower than 25,000 euros.

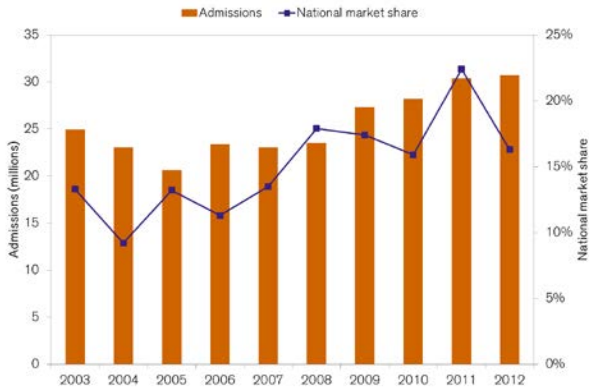
The chart below shows how the support in 2012 was divided between different areas. Following the strong focus on production, 87 per cent was used for this purpose while 6 per cent was used for script and project development.



The average level of support for the 36 Dutch feature-length fiction films released in 2012 was 35 per cent. For documentaries the corresponding figure is 31 per cent.

The number of feature-length films released in the Netherlands has increased sharply during the last ten years. In 2012 almost 80 Dutch films including documentaries were released, which is a four-fold increase compared to 2003. It is primarily the number of co-productions and documentaries that has increased.





The total number of admissions has also increased during the same period, reaching almost 31 million admissions in 2012. That is five per cent above the average number of admissions for the period. Also the market share has increased, even though it fell to 16.3 per cent in 2012 which is however slightly above the average for the last ten years.

Norway

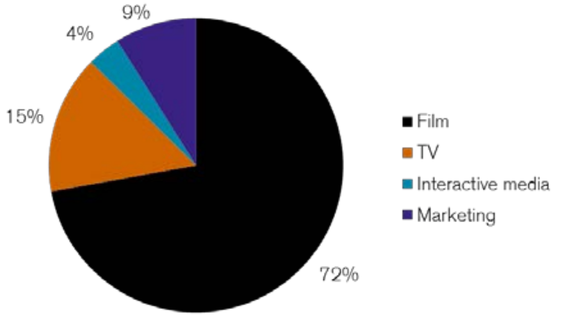
The Norwegian Film Institute (NFI) was originally established in 1955. It has existed in its present form since 2008 when the previous film institute was merged with the Norwegian Film Fund, Norway Film Development and the Norwegian Film Commission. The institute operates independently under the Ministry of Culture and is the government's executive body for the film sector. The assignments are to administer the public support for development, production and distribution of Norwegian audio-visual productions, and to be the national centre for development of new talents and ideas within film, television and the computer game industry. Also included in the tasks is to represent Norwegian film internationally and to promote film as an expression of art and culture.

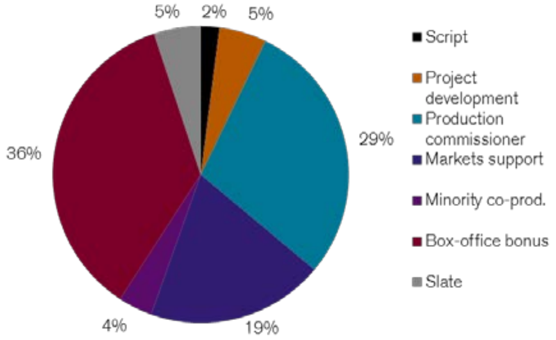
The budget of the institute is based on appropriations in the government budget. In 2013 it amounts to 56 million euros with regard to support for film, TV and interactive media. This is an increase of 25 per cent compared to 2009 which was the first full year for the institute in its present form.

The support schemes include support for script and project development, production, distribution, marketing and education. During 2012 the total support amounted to 51 million euros. Almost 75 per cent of this went to film, while 15 per cent were used for TV production and 4 per cent for development and production of interactive media. In addition, 9 per cent was used for different forms of promotion and marketing.

The right chart below shows how the close to 37 million euros that went to development and production of film was divided between different support schemes. The selective scheme based on decisions by film commissioners distributes support based primarily on an evaluation of the artistic merits of the projects, but also other aspects such as feasibility, economic, technical and marketing perspectives are considered. There are in total seven commissioners at the NFI, two for documentaries, two for feature-length fiction films with one also responsible for TV drama, one commissioner for short films and two script commissioners.

Of the total film support budget in 2012 two per cent was used for script development and five per cent for project development, both based on commissioner decisions. The commissioner based production support amounted to 29 per cent. The market support which is based on the projects' expected audience potential, where the decision is taken by the director based on suggestions from the head of the production department, had a share of 19 per cent. In addition there is an automatic box office bonus scheme which in 2012 had the largest share, 36 per cent, of the total support for film. Finally, the slate funding amounted to 6 per cent and the minority co-productions to 5 per cent.

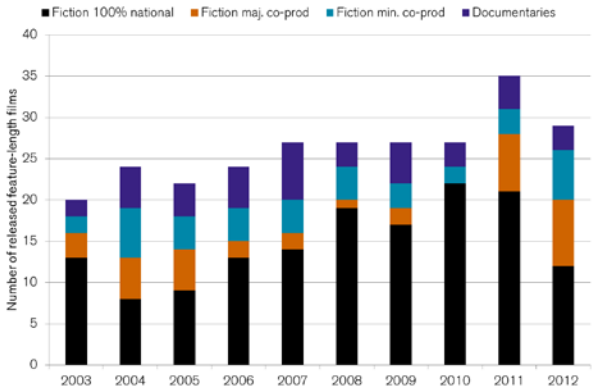


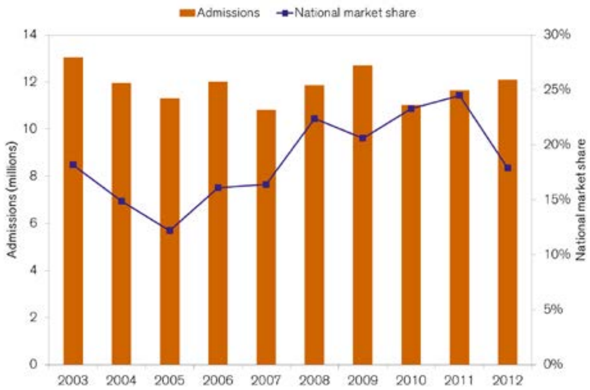


The Norwegian Film Institute also has special programmes for talent development called *New ways to documentaries* and *New ways to short film*. The purpose is to promote artistic courage and to contribute to the development and innovation of Norwegian film by allowing directors and producers to test new ideas. Support is given both to project development and production, where the latter presupposes previous support for development within the programme.

The feature-length fiction films that received support from a commissioner during 2012 had an average budget of 2 million euro, while those that received market support had an average budget of 4.5 million euro. The average funding intensity was 39 per cent for both types of films. The average budget for supported feature-length documentaries was 350 000 euro, with a funding intensity of on average 42 per cent.

The number of released Norwegian feature-length films has increased by almost ten films over the last ten years if we include documentaries. This is also in line with the objective set out in the latest target programme that at least 25 Norwegian feature-length fiction films should be released per year. Both national films and co-productions have increased during the period.





Total cinema admissions in Norway have been fairly stable during the last ten years with an average of 11.8 million. The national market share increased between 2005 and 2011 when it reached 25 per cent but was on average 18.7 per cent during the last ten years. In 2012 there were 12.1 million admissions and the national market share was 17.9 per cent.

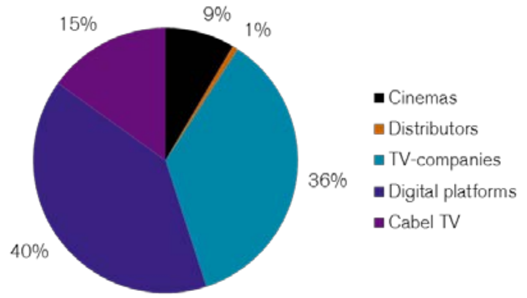
Poland

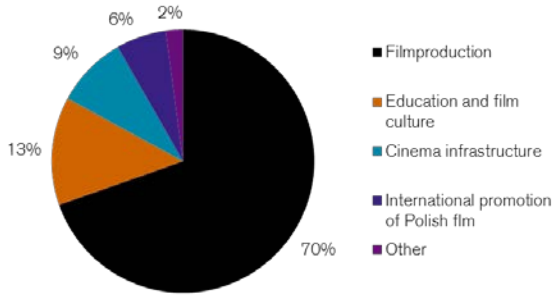
The Polish Film Institute (PIST) is an independent government agency which acts under the Ministry of Culture. The institute was created in 2005 in the Cinematography Act and replaces three previous funding bodies. The Act also specifies the tasks of the institute and how it is financed as well as how the management, the board and the experts used for evaluation of projects should be appointed, and the tasks and responsibilities of the experts. The Act is also fairly detailed in pointing out who and what type of projects can receive support, as well as what aspects should be evaluated.

The institute's assignments include creating good conditions for the Polish Film Industry, and inspiring and developing Polish film with an emphasis on artistic film. The tasks also concern the Polish as well as the international film heritage and film archives, supporting debutants and the artistic development of young film makers, promoting creativity in Polish film, and developing the Polish film industry, as well as being the expert body for public administration in the area of film.

The budget of the institute for development and production of film is based on a tax of 1.5 per cent on turnover or income for cinemas, distributors, TV companies and digital platforms. For other activities the budget is based on appropriations in the government budget, profits from films, donations and financial income, as well as monies from a fund for the promotion of culture based on a tax on lottery and gambling. Thus, the production of Polish films is not financed by tax payers but rather those who exhibit films on different platforms. In addition, the public service TV stations are obliged to set aside 1.5 per cent of their budget for film production.

The left chart below shows the sources for the support budget in 2012. The chart to the right shows how the total budget of the Polish Institute in 2013, which amounts to 32 million euros, is distributed to different activities.

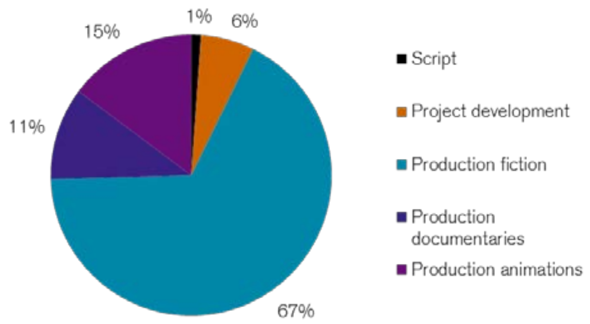




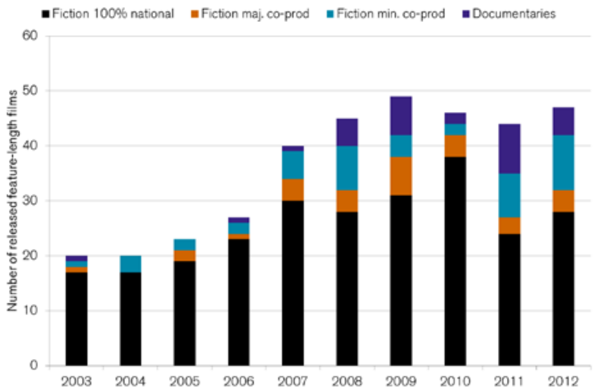
In addition to the Film Act there is also a film ordinance which regulates film support. The ordinance is focused on production; a minimum of 60 per cent of the resources should be used for this purpose. The support is intended to be used for film for cinemas, but there are exceptions for animations and documentaries where TV is an alternative. The ordinance also specifies what should be evaluated in the selection of projects; there are 21 different aspects in 5 areas. At the same time the ordinance puts a strong emphasis on the fact that it is the artistic, cognitive and aesthetic qualities that should have priority. Other areas deal with the value of the project for Polish culture, tradition and language, the enrichment of European diversity, the effects the project is expected to have on the Polish film industry and the economic conditions for the project.

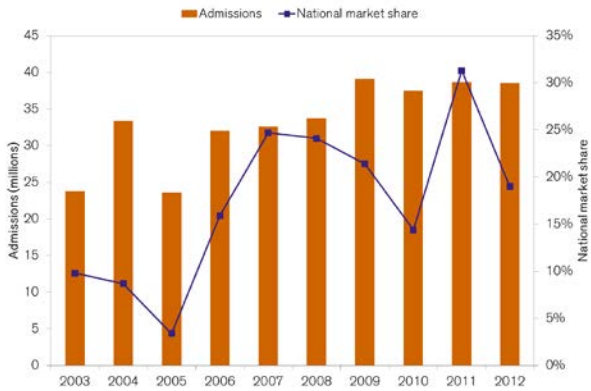
The institute's director makes the decision as to which projects should receive support. Except for 15 per cent of the support budget where the decision lies fully with the director, the decision is taken based on the evaluation made by expert committees made up of active film makers from the Polish film. There are special regulations for films with high artistic ambitions in content and form, films with limited commercial value and low budget films. The support intensity for these films may be as high as 70 per cent but the support levels are lower. The ordinance also specifies that commercial films may only receive support in the form of interest free loans and not in the form of subsidy.

The chart below shows how the film production support budget is divided between script and project development, production of feature-length fiction films, documentaries and animations.



The new Film Act has had a positive effect on the number of films made and released in Poland. In 2012, 47 feature-length films were released and this is typical for the last five years. Prior to the introduction of the new Film Act the number of released films was about half as many; in 2005 the number of films released was 23. Polish majority productions as well as minority co-productions have increased, the latter likely an effect of the strong emphasis put on international co-operation in the Film Act and film ordinance.





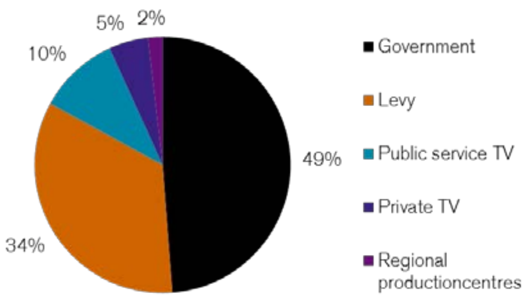
In the last ten years there has also been an increase in admissions to cinemas, both in general and to Polish films in particular. The national market share has on average been 22 per cent during the last five years, which is 10 percentage points above the average for the previous five years. In 2012 the total number of admissions was 38.9 million and the national market share was 19.8 per cent.

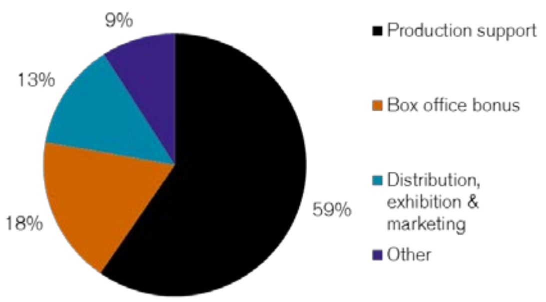
Sweden

The Swedish Film Institute Foundation (SFI) was founded in 1963 by the Swedish state and the various professional bodies of the film industry. The institute is an independent foundation with the members of the board appointed by the government. Its remit, which includes support for the production of new films, the distribution and screening of worthwhile films, preserving and promoting Sweden's film heritage and representing Swedish film at an international level, is defined in the Film Agreement, the Film Bill, and in the annual document of grant appropriations from the Ministry of Culture. The present agreement from January 2013 is the sixth in order and applies to the period 2013 to 2015.

The Film Agreement from 2013 specifies that the vision is for Sweden to be a leading European film nation. The overall objective is to promote Swedish film production of high quality and high attractiveness, in both a national and an international perspective, and a strong and dynamic film industry where the production should be distinguished by both continuity and renewal. The agreement also sets out goals including that Swedish film should have the highest market share in the Nordic countries, that the number of admissions to cinemas should increase and that the support should be distributed so as to create the best possible conditions for a modern, vigorous and independent film production and film industry. Furthermore, that Swedish film should be represented in the competition sections of the international film festivals in Berlin and Cannes, and that Sweden should be a European leader in development, production and distribution using new media, as well as in film for children and young people and in documentary film. The funding should be divided evenly between men and women and should be awarded based on the perspective of diversity. In addition there are a number of cultural policy objectives in the Film Bill presented by the government.

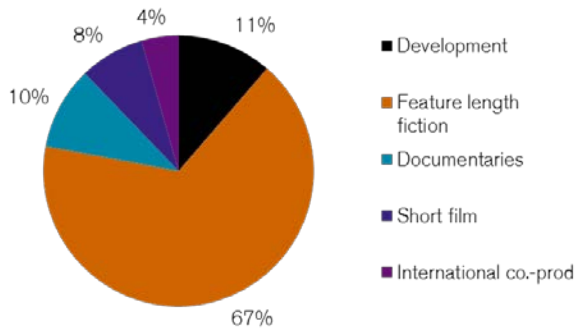
Support for production, distribution, exhibition and marketing of new Swedish film and efforts against the unlawful use of film are financed via the Film Agreement, while activities to meet the cultural policy objectives are financed by appropriations in the state budget. In 2013 the total budget is 60 million euros, of which the Film Agreement accounts for 47 million. As can be seen from the chart below left, almost 50 per cent of the budget in the Film Agreement also comes from the state budget. The other part is financed by the film industry, primarily via a 10 per cent levy on cinema admissions which is transferred to production of Swedish film. The remaining 17 per cent is financed primarily by public service and private TV companies and the regional film fund network. The proportions in the chart are based on an estimate of the income from the levy on admissions, while the other contributions are shown in the Film Agreement.





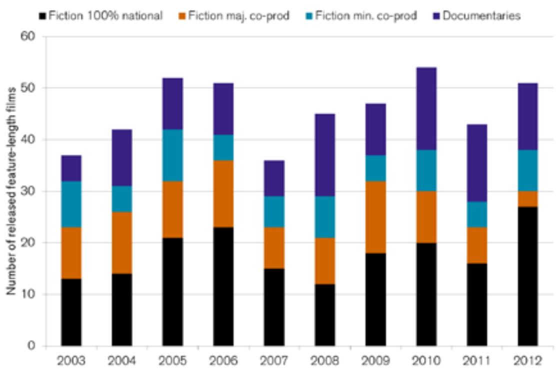
In 2012 the proportion of the institute's budget that stems from the Film Agreement amounted to 46 million euros, and the chart above right shows how this was divided between different activities. The support aimed at production of new film, either through the selective or the automatic scheme, comprised almost 80 per cent. The agreement is quite detailed in setting out how the support should be divided between different kinds of support and different types of film. The films that receive production support are selected by film commissioners. The criteria on which the film commissioners make their decision are set by the Film Institute with the aim of attaining the goals of the Film Agreement. The automatic scheme takes the form of a box office bonus.

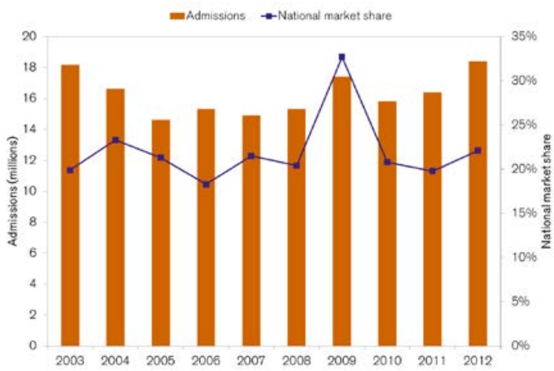
The chart below shows how the decisions made during 2012 within the commissioner scheme were divided between support for development and different types of film. The support for project development amounted to 11 per cent while almost 67 per cent was for feature-length fiction film production. Twenty-three feature-length fiction films received support and the average funding intensity was 34 per cent. These films had an average production budget of 3 million euros. The number of feature-length documentaries receiving support was 13 with an average funding intensity of 38 per cent. These films had an average production budget of almost 425,000 euros.



The new Film Agreement introduces new forms of film production support in addition to the existing ones. There is for example a new automatic support for production of films with a budget of at least 1.6 million euros and expected admissions of 250,000. The support is awarded on a first-come, first-served basis. There is also a new box office related support which will come into effect in 2014. This support gives the principal producer access to investment capital corresponding to 65 per cent of the gross box office between 195,000 and 380,000 euros. The funding is deposited by the institute in a special client account and the production company is entitled to access the funds in one or more future film projects. The production support has previously been directed to films intended for cinema exhibition, but the new agreement no longer has this requirement. The agreement also has a new support for drama series with a minimum of three episodes of 44 minutes each, as well as for 'cross media', i.e. audio-visual productions intended for distribution in different media and platforms.

In the past 10 years the number of Swedish feature-length films released in cinemas has varied between 40 and 50 a year. The proportion of national films, minority co-productions and documentaries respectively has varied to some degree, with no obvious trends.





The total number of admissions has been between 15 million and 18 million a year in the last ten years, with an average of just over 16 million. The national market share has on average been 22 per cent during this period, with a market increase in 2009 following the release of the *Millennium* films. In 2012 there were 18.4 million admissions which is the highest number since the late 1980s. 22 per cent of these related to a Swedish film.

Sources

The overview is based on the following sources.

1. Regulatory documents such as films laws, film ordinance, film agreements and target programmes from the organizations websites, downloaded during September 2013.

2. Descriptions of support schemes are based on legal documents, such as those mentioned above, and support guidelines also available at the websites of the organizations, downloaded during September 2013.

3. *Facts & Figures* for 2012 available from the organizations websites, downloaded during September 2013.

4. Numbers on admissions and market shares are based on *Facts & Figures*, as well as publications from the European Audiovisual Observatory such as *Marché du Film Focus 2013* and the *Yearbook Vol. 2 2012* as well as previous issues.

5. *Public Funding for Film and Audiovisual Works in Europe* (2011 Edition), Susan Newman-Baudais, European Audiovisual Observatory.