

MEDIA 2007-2013 REFORM PROPOSALS

Europa Distribution has been working since January 2007 with the MEDIA program to implement the reform of the Guidelines for MEDIA distribution support 2007-2013.

For MEDIA, 2007 is an important timing because it represents the last opportunity to introduce new schemes for Media Automatic and Selective Support. Those new schemes will be effective during the next 6 years.

Discussion committee:

- Europa Distribution has been represented in those discussions by: Régine Vial (Losange, France), Antonio Medici (Bim, Italy) and Laurent Dutoit (Agora, Switzerland)
- Media has been represented by: Maria-Silvia Gatta and Gabor Greiner in charge of distribution at the Executive Agency.

The principles of the reform of Media automatic support have already been accepted by the European Commission and the Executive Agency.

For Media Selective Support, the discussion has only started.

The publication of the new guidelines for both supports will occur in December 2006 and will be effective in 2008.

MEDIA AUTOMATIC SUPPORT

Aimed at encouraging and helping the trans-national distribution of European films, this financial aid for reinvestment is determined on the basis of the number of admissions achieved by the non-local European films during the previous year. We have worked with MEDIA to improve the existing system.

1/ A reform of Media automatic support

The distributor is not at the same level of risk for every admission. The first admissions represent the biggest risk for European distributors because their investments (MG, Promotion and print costs..) are rarely recovered. When a film is successful, the paying admissions often allow the investments to be recovered but are also important for a TV and video sale which are new incomes for distributors.

2/ Reform proposal: Implementation of three rungs of admissions with specific rates

The idea would be to **increase the automatic support on a first rung of admissions, to maintain it as today on a second rung of admissions and to minor it on a third rung of admissions.**

- For the first rung of admissions: Rate 150%
- On the second rung of admissions : Rate 100%
- On the third rung of admissions: 30% <Rate< 50%

The rungs of admissions will of course vary from country to country and depend on the average number of admissions for European films in each country group in order to avoid any discrimination.

3/ New country groups

By working on simulations, it appears to be necessary to have **4 groups, instead of the 3 current groups.**

- Large countries: Germany, Spain, France, Italy
- Medium countries 1: Austria, Belgium, Holland, Poland, , Switzerland, UK
- Medium Countries 2: Denmark, Finland, Greece, Hungary, Norway, Portugal, Sweden

- Small countries: Bulgaria, Check republic, Estonia, Island, Ireland, Leetonia, Lithuania, Luxemburg, Malta, , Slovakia, Slovenia

Conclusion:

- This reform benefits particularly to medium and small countries.
- This reform redistributes the MEDIA budget to independent distributors who take risks on European works combining cultural and market ambition.

MEDIA SELECTIVE SUPPORT

1/ MEDIA's objectives

The 2 main objectives of MEDIA Selective Support are :

- To increase the circulation of European audiovisual works within the European Union
- To strengthen the European distribution sector by encouraging networking and coordinated marketing strategies.

2/ The current problematic

The current selective support is dealing with a problem of cultural policy: the support goes mainly to European movies with low production budgets and a lot of European movies with medium production budgets don't get any support from Media Selective, when in fact those movies often are the most risky for the distributors.

The current repartition of Media Selective Budget doesn't take the reality of the film market into account.

3/ Proposals

Therefore, Media is willing to clarify this repartition in order to support again movies combining cultural and market ambition. Media will also go on supporting the discovery work of small distributors.

Media also suggests to exclude from the support movies with a very big production budget in order to have more money for small and medium films.