



## **NEWSLETTER FEBRUARY 2008**

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### **EUROPA DISTRIBUTION ACTIVITIES**

#### **Europa Distribution: new members for 2008**

Europa Distribution is happy to announce that 4 new members have joined the association for 2008: Lumière in Belgium, Dogwoof Pictures in the UK, Prokino and Schwarzweiss-Filmverleih in Germany. There are now 60 members in the association.

<http://www.europa-distribution.org/members.php>

#### **Europa Distribution in Berlin**

The Executive Committee of Europa Distribution met in Berlin on February 9<sup>th</sup>. The agenda was focused on the digital roll out in Europe in order to prepare the Media expert group on digital (first session on March 19<sup>th</sup> in Brussels). It has been decided to prepare a document summarizing:

- The situation of the different European countries
- The main business models in Europe
- The stakes of the digital roll out for independent distributors
- A list of proposals.

This document will be submitted to the ED members at the beginning of March to get their approval.

#### **Europa Distribution's press conference during the Unifrance Days (January 12)**

Europa Distribution presented its activities and successes of 2007 and its projects for 2008 to international journalists.

[http://www.europa-distribution.org/files/2008\\_1\\_11\\_PRESS\\_CONF\\_ED.pdf](http://www.europa-distribution.org/files/2008_1_11_PRESS_CONF_ED.pdf)

#### **Europa Distribution's meeting during the Unifrance Days (January 11)**

Nearly 40 members of Europa Distribution attended the ED breakfast on January 11 to discuss ED's projects for 2008. It was decided to focus the reflexion on the challenges of new technologies (VOD and digital roll out), to participate to other events (IDIFF 2008, CARTOON MOVIE 2008), to improve the website and to create Distribution Forums in medium festivals (Karlov Vary, San Sebastian, Estoril).

#### **The challenges of new technologies**

Europa Distribution is working on a Action Plan on new technologies in order to raise the issue of the new modes of exploitation of films on digital platforms and the digital roll out. A White Paper assessing the situation in the European Countries, including testimony from national agencies and distributors, and proposing solutions will be established in the next few months.

## EUROPEAN COMMISSION

### **EC Communication on Creative Content Online in Europe's Single Market**

On January 3rd, the EC adopted its Communication on Creative Content Online which identifies 4 main horizontal challenges which merit further attention at EU level: the availability of creative content, multi-territoriality licensing, interoperability and transparency of DRM systems, legal offers and piracy.

*EC Press Release:*

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/5&format=HTML&aged=0&language=EN&guiLanguage=nl>

### **EC Communication on Media Literacy**

The EC Communication published on December 20 addresses the ability of people to critically analyse media content and make more informed choices, which is crucial in the digital era. This EC first policy document on the issue focuses on media literacy for advertising, audiovisual works and other online services (blogs, search engines) and promotes the development and exchange of good practices.

*EC Press Release:*

<http://www.europa.eu/rapid/pressReleasesAction.do?reference=IP/07/1970&format=HTML&aged=0&language=EN&guiLanguage=en>

*EC Communication:*

[http://ec.europa.eu/avpolicy/media\\_literacy/ec\\_com/index\\_en.htm](http://ec.europa.eu/avpolicy/media_literacy/ec_com/index_en.htm)

## EUROPEAN PARLIAMENT

### **The Culture Committee adopts an own-initiative report by Guy Bono (PES, FR) on Cultural Industries on January 22**

M. Bono focused on the cultural industries' potential to contribute to the Lisbon growth and jobs strategy and emphasized the 2,6% contribution of the sector to the EU GDP (2003). The report promotes a regulatory and fiscal framework that favours cultural industries, specifically tax credits and reduced rates of VAT for all cultural products, including on-line works. More controversially, it urges the Commission to rethink the critical issue of intellectual property in the interest of a balance between the opportunities for access to cultural events and content and the protection of rights holders. The report will be voted in plenary session in March in Strasbourg.

*EP Press release:*

[http://www.europarl.europa.eu/news/expert/infopress\\_page/037-19264-021-01-04-906-20080121IPR19245-21-01-2008-2008-false/default\\_en.htm](http://www.europarl.europa.eu/news/expert/infopress_page/037-19264-021-01-04-906-20080121IPR19245-21-01-2008-2008-false/default_en.htm)

*EP Culture Committee website:*

[http://www.europarl.europa.eu/committees/cult\\_home\\_en.htm](http://www.europarl.europa.eu/committees/cult_home_en.htm)

### **Draftspersons appointed for the Telecommunication package review**

The 3 legislative proposals which form the telecoms package review will be discussed in 2 different committees: the Industry Committee has appointed Mrs Trautmann (PES, FR) as the draftswoman for the proposal for a directive amending the "framework", "access" and "authorization" directives and Mrs Pilar del Castillo (EPP, Spain) as the draftswoman for the proposal of a regulation establishing the European Electronic Communications Market Authority. The Internal Market committee has appointed M. Malcolm Harbour (EPP, UK) as the draftsman for the proposal of directive amending the "universal service" and "protection of privacy" directives.

*Industry, Research and Energy Committee (ITRE) website:*

<http://www.europarl.europa.eu/activities/committees/homeCom.do?language=EN&body=ITRE>

*Internal Market and Consumer Protection Committee (IMCO) website:*

<http://www.europarl.europa.eu/activities/committees/homeCom.do?language=EN&body=IMCO>

## EUROPEAN POLICY MEMBER STATES

### New Spanish Law for Cinema

A new law for cinema has been adopted by the Spanish Parliament on December 21. One of the main elements of this law is the definition of independance (production, distribution, exhibition) : **a society under the dominant influence of a Telecommunication or Television group is not independant. A society with a dominant position on the market is not independant.**

The law will also hike tax breaks and boost aid for animation series. After an agitated discussion, it finally leaves out the controversial issue of the TV operators' investment in film funding, maintaining the current quota of 5% of annual income in its current form. It is also interesting to note that Spanish films with EU directors will not qualify for Spanish subsidies unless they are international co-productions.

<http://www.variety.com/article/VR1117978091.html?categoryid=13&cs=1&query=Film+law>

### No advertising on French public TV by 2009

Nicolas Sarkozy, The French President, surprised the media industry on January 8 by announcing his intention to scrap advertising on France's public television stations. The move would see public channels lose more than €800M in advertising revenue a year. Sarkozy promised to make up the shortfall by raising taxes on commercial broadcasters and introducing a new tax for mobile phone operators and Internet service providers. The media sector and the opposition seized on the vagueness of the plans for financing public channels, claiming that the shake-up was intended to weaken state broadcasting and reward media companies run by friends of the President.

On February 19, Nicolas Sarkozy announced the creation of a commission gathering parliamentarians and professionals in order to think about the concrete implementation of this reform. The French president mentioned the possibility of a progressive disappearance of advertising but reinsured the fact that each euro lost would be compensated by public money or news taxes (but there was no mention of an increase of the licence fee).

<http://www.guardian.co.uk/media/2008/jan/14/television.france/print>

<http://www.ft.com/cms/s/0/397fef8-bf1d-11dc-8c61-0000779fd2ac.html>

## FOCUS ON NORWAY

### SITUATION

- **Population:** 4,6M
- **214 Cinema operators – 149 Municipally owned** representing 80% of B.O.
- **420 screens**
- **Total admissions:** 12M
- **Average Ticket Price:** 9€

### NATIONAL AGENCY: FILM&KINO

- **Income:**
  - 2,5% fee on every cinema ticket = 4M€ / year
  - 0,45€ per DVD distributed = 8M€ / year
- **Fund:**
  - In 2007: 15M€ added in the fund

### DISTRIBUTORS

- **US Majors:** UIP, Buena Vista, Fox Films (around 50% the market share)
- **Nordic groups:** Svensk Filmindustri, Scanbox Entertainment Norway, Sandrew Metronome Norge, Nordisk (around 40% of the market share)
- **Independent distributors:** Arthaus, Oro, Fidalgo, Corianderfilm, Europafilm... (around 10% of the market share)

## **FOCUS: ARTHAUS STIFTELSEN FOR FILMKUNST**

**Arthaus is an independent distributor** established in 1992 by the Norwegian Federation of Film Clubs. The aim of the Foundation is to distribute high quality and independent films to cinemas and filmclubs all over Norway. Arthaus distributes between 15 and 20 films a year.

### **Short Biography of Svend Jensen, Managing Director of Arthaus:**

After studying Cultural studies and Video & TV production at University, Svend worked as a consultant for the Norwegian Federation of Film Societies (NFK) and then for the Norwegian Film Institute. He was then the Head of project for Children's films at NFK. He joined Arthaus in 1994 and has become the Managing Director and Head of Distribution of the company.

### **Last films released:**

01.06.07: Triple Dare, Christina Rosendahl, Denmark 2006  
15.06.07: Dark Blue Almost Black, Daniel Sanchez Arevalo, Spain 2006  
06.07.07: The Host, Bong Joon-ho, Korea 2006  
20.07.07: Black Sheep, Jonathan King, New Zealand 2006  
17.08.07: Lady Chatterley, Pascale Ferran, France 2006  
31.08.07: This is England, Shane Meadows, UK 2007  
15.09.07: Inland Empire, David Lynch, USA 2006  
22.09.07: Blue Velvet, David Lynch, USA 1986  
26.10.07: The Substitute Teacher, Ole Bornedal, Denmark 2007  
02.11.07: Edvard Munch, Peter Watkins, Norway/Sweden 1974  
30.10.07: WWW – What a Wonderful World, Faouzi Bensaidi, France/Morocco 2006  
07.12.07: Razzle Dazzle, Darren Ashton, Australia 2006  
26.12.07: 4 Months, 3 Weeks & 2 Days, Cristian Mungiu, Romania 2007  
04.01.08: The Edge of Heaven, Fatih Akin, Germany/Turkey 2007

### **Next releases:**

25.01.08: Tuya's Marriage, Wang Quan'an, China 2006  
15.02.08: The Banishment, Andrey Zvyagintsev, Russia 2007  
22.02.08: The Summer House, Ole Gjaever, Norway 2008  
07.03.08: Caramel, Nadine Labaki, Lebanon 2007  
14.03.08: To Love Someone, Ake Sandgren, Sweden 2007  
00.05.08: XXY, Lucia Puenzo, Argentina 2007  
00.06.08: Angosto, Jorge Sanchez-Cabezudo, Spain 2006  
00.07.08: Once, John Carney, Ireland 2007  
00.08.08: Tricks, Andrzej Jakimowski, Poland 2007  
00.09.08: Stellet Licht, Carlos Reygadas, Mexico 2007  
00.10.08: La Zona, Rodrigo Pla, Mexico 2007

## **DIGITAL ROLL-OUT IN NORWAY**

### **TECHNOLOGY**

2 tests on digital cinema are currently running in Norway: the Nordic Project and the Nordic Digital Alliance. These tests aim at experiencing the technological issues related to digital screening.

### **FINANCING MODEL:**

The costs will be shared between Distributors, Cinemas and FILM&KINO (representing public money).

Distributors will pay a share related to a realistic commercial VPF model in Norway.

The rest will be shared between cinemas and FILM&KINO.

No percentage share has been decided yet.

The public money has got 4 purposes:

- Support installation for all participating cinemas
- Give all cinemas possibility to convert
- Blockbusters available for everyone
- Wider distribution of European, independent and arthouse movies.

### **CHRONOLOGY OF THE ROLL OUT**

- Before the roll out:
  - o Negotiation and signing of the financing model
  - o Full insurance regarding technology
  - o Digitalization of all the titles in distribution
- All the cinemas should be digitally equipped in 2010.

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