

Brussels, 21 January 2021

**A WELCOME BUDGETARY INCREASE FOR CREATIVE EUROPE/MEDIA, AN ESSENTIAL
PROGRAMME FOR THE RECOVERY AND SUSTAINABILITY OF THE EUROPEAN FILM AND
AUDIOVISUAL SECTOR IN COVID-19 TIMES**

As organisations working across the European film and audiovisual sector, we represent film and TV authors, screenwriters, directors, producers, sales agents, publishers and distributors of films both offline and online, cinema operators, and VOD platforms. We would like to welcome the budgetary increase of the Creative Europe Programme resulting in a total envelope of €2.2 billion, which reflects the importance of Europe's cultural and creative industries. We would like to warmly thank Members of the European Parliament, the European Commission's MEDIA Unit and the Council for their continued support and for securing this important result.

The consequent budgetary increase for the Creative Europe MEDIA sub-programme will provide key support to the European film and audiovisual sector in continuing to bring unique stories to European citizens and in facing the consequences of COVID-19.

Our eco-system has been rightfully recognised as one of the hardest hit by the pandemic and health & safety precautionary measures implemented by national governments. It is therefore crucial that the MEDIA strand of the Creative Europe Programme has the means to support the film and audiovisual sector in getting back on its feet, for the sake of its authors, talents, companies, workers, audiences and European citizens alike.

Since 1991, the MEDIA Programme has been instrumental in supporting the European film and audiovisual sector to become increasingly culturally and creatively diverse. There is no doubt that it has assisted and facilitated the development of the cultural and creative industries, through proactively supporting the creation of markets and audiences for European content across Europe and beyond. It has had a vital role for independent audiovisual creation across Europe, fostering creative freedom, diversity in storytelling, and allowing smaller production countries to find their own unique creative voices. It has also

supported the sector in its digital transition – which started around 20 years ago with the digitization of shootings, post-production, cinemas, publishing films and AV content on digital carriers such as DVD and Blu-ray, and the early days of online content promotion.

MEDIA will celebrate its 30th anniversary in 2021. Its significant results – as listed below – must be built upon and used to guide the working programmes of the next generation of the programme:

- Supporting independent producers and small production companies across the EU in the development process, encouraging animation, creative documentaries and fiction projects for theatrical release, television broadcasting and online distribution.
- Respectively through support to training / networking for authors and to development for producers, helping developing concepts and writing unique scripts which have resulted in successful films for theatrical release and/or TV dramas
- Providing national film distributors with funding for the acquisition and promotion (including marketing, printing, advertising, subtitling and dubbing) of European non-national films, therefore enhancing their circulation across Europe;
- Supporting cinemas via the Europa Cinemas network and the European Cinema Nights;
- Providing international sales companies with funding for the acquisition and marketing of non-national European films;
- Supporting the emergence of a great creative and geographical diversity of European productions and co-productions in both the film and TV sector;
- Contributing towards the training of more than 20,000 skilled audiovisual professionals, enabling them to adapt to new challenges and technologies.
- Boosting the circulation of European works in the European Union and beyond, exposing and promoting the best of European film across all distribution platforms (cinemas, DVD, TV and online);
- Promoting European works via film festivals and film markets, both in countries participating in the MEDIA Programme as well as third countries;

- Developing transnational projects on film education, online distribution, festivals, professional training and innovative practices, which respond proactively to the digital environment.

These impressive achievements show that the MEDIA sub-programme, thanks to its effective and tailored spending, has been of great benefit to the European audiences and citizens while also supporting and contributing to the growth of the European film and audiovisual sector which employs more than 1 million Europeans and supports an additional 1 million indirect jobs¹.

More recently, however, the COVID-19 pandemic has dealt the sector a devastating blow and has impacted the whole value-chain. The ever-changing need to respond and adhere to government recommendations - very often given at short notice - has resulted in massive business and employment uncertainty, bringing significant losses in revenues, and risking irreparable damage to its entire infrastructure. Lockdowns have stopped down offline distribution and exhibition activities - resulting in a no-income reality during long periods - while fostering the uptake of online distribution models. However, the increase in consumer spending on online access to films and AV works has not compensated the massive losses experienced by the rest of the ecosystem.

Access to support via MEDIA will therefore be crucial in creating and bringing unique stories to European audiences for years to come. The film and audiovisual value-chain is made up of a variety of industries and sectors, all of whom contribute greatly to the diversity and quality of Europe's cultural offer and will be all the more relevant after the crisis. These stakeholders should therefore remain front-and-centre as we look ahead to the future of Creative Europe MEDIA – more details provided in annex.

It is now clear that the increased funding for the Creative Europe Programme and its MEDIA strand will, more than ever, be key for the survival, sustainability and future economic growth of the European film and audiovisual sector and, consequently, its important contributions to European and national economies, employment, diversity and cultural identity.

¹ EY Study on the economic and employment contribution of the film and audiovisual sector to the EU economy (2020) – www.avdata4europe.eu

Signatories



CEPI – European Audiovisual Production

CICAE – International Confederation of Arthouse cinemas

Eurocinema – Film Producers' Association

Europa Cinemas – Network of Cinema Theaters for the Circulation of European Films

Europa Distribution – European Network of Independent Film Publishers and Distributors

Europa International – European Network of European Sales Agents

Eurovod – Association of European VoD Platforms

FERA – Federation of European Film Directors

FIAD – International Federation of Film Distributors' Associations

FIAPF – International Federation of Film Producers' Associations

FSE – Federation of screenwriters in Europe

IVF – International Video Federation

SAA – Society of Audiovisual Authors

UNIC – International Union of Cinemas

ANNEX

For nearly 30 years, the MEDIA Programme has been instrumental in supporting the European film and audiovisual industry in becoming increasingly culturally and creatively diverse. As such, MEDIA support has proved invaluable in terms of promoting European audiovisual works across multiple distribution channels and developing new audiences in the EU and further afield.

MEDIA is also crucial in supporting parts of the value chain that do not benefit from any or little support in most Member states. This is particularly true for independent distribution and cinema exhibition¹, who are essential in the film and audiovisual eco-system and who create markets and audiences for European non-national content across Europe. Should their MEDIA support disappear or weaken, it is likely that they would struggle to survive – the consequences on access to and circulation of content would also be dramatic.

Last but not least, the film and audiovisual sector has been severely impacted by the COVID-19 crisis: out of work freelance authors, performers, crews and workers, many film shootings now stopped (especially co-productions because no COVID insurance is available to cover the risk), festivals/markets cancelled or online only, most cinemas closed or operating at limited levels, films release interrupted and publishers and distributors weakened by lack of income and business uncertainty.

Access to support will be crucial to allow the sector, once again, to create and bring unique and diverse stories to the European audiences for years to come.

The film and audiovisual value-chain is made up of a variety of industries and sectors, all of whom contribute greatly to the diversity and quality of Europe's cultural offer, as outlined below:

- **Development and creation:** Building on an individual creative idea, the development stage is an intense and strategic phase bringing together screenwriters, directors and producers in a singular collaborative creative process which results into engrossing visual story-telling also involving the work of composers, cast and crew. In development, authors generate not only unique creative works, but also intellectual property at the origin of the sector's entire value chain while producers secure financing through an elaborate form of peer review with a view to launch of the project in the marketplace. The vast majority of authors - as highly skilled

¹ Via the Europa Cinemas network and dedicated pilot projects

professionals - are freelance and are employed on a project-per-project basis. The MEDIA strand of the Creative Europe Programme should allow for essential skills development and increased networking opportunities for creative professionals in a rapidly changing industry environment which continuously impacts the creative process across the EU.

- **Production:** The financial support from the MEDIA strand for development contributes to the creative and financial risk-taking from the production sector - mostly SMEs - by promoting the best conditions for ambitious European film and TV projects to be developed in each of the programme' participating countries, including the EU-27. The development stage and the related support scheme of the MEDIA strand are therefore key for guaranteeing diversity in film and TV projects while the network of European film and TV production companies is a globally recognized asset for EU's creativity in film and audiovisual works. When a project's development is ripe enough to go to pre-production, it then comes to the financing of projects. In this field, co-productions have proven to be one of the main assets for the development of the European sector and its productions. They also constitute a major incentive to improve the circulation of and access to European films. Co-producing means access to financing, pooling creative resources and ensuring privileged access to bigger and diverse markets. The coproduction of feature films as well as animation and documentaries, intended for theatrical release, has to be developed and planned with significant multi-market circulation potential in mind. Hence, the importance of devoting sufficient funds in the new Creative Europe MEDIA Programme accessible to production companies in all EU-27 and other participating countries to fostering development and coproduction going forward, in full consistency with strategies carried out at national and regional levels, in particular by film agencies and/or regional audiovisual funds.
- **The promotion of European productions both within and outside Europe** is key in terms of accessing markets outside the country/ies of production and reaching new audiences. The MEDIA strand is pivotal in fostering the visibility of the European industry and its productions in major industry markets, as it promotes conditions for strong cooperation between operators in the value-chain. Among central operators in this regard, international film festivals represent efficient promotion vehicles for films and are a particularly effective means of improving the visibility and discoverability of films and audiovisual works, especially beyond home markets. Their role is also key in building awareness with the audiences, whether at national, European or global level, and offering good networking and future development/partnership opportunities. On a business-to-business level, festivals and

markets are the most important platform to access international financing and markets and stimulate the sales of European films beyond home markets.

- **Film distribution** has represented a key area of focus for the MEDIA sub-programme since the beginning, allowing film publishers-distributors to lower their already high risks, invest better and offer much-needed visibility to the public, thus giving films more of a chance to entice viewers. MEDIA support contributes greatly to the circulation of films all over Europe and to a diverse offer, itself part of a policy of cultural diversity and European values. In the life cycle of a film, distribution is the lynchpin of the whole undertaking by connecting films with audiences, who then make these stories their own. By working on the promotion and marketing of films, publishers-distributors create visibility and make stories exist for the audience; by buying the rights of the films (theatrical, DVD & VoD, TV), they support the financing and creation of these European stories. Given the scarcity of financial resources available to film distributors and in a time of disrupting transition and digital challenges where distributors are facing a lack of return on their investment, the two MEDIA distribution schemes truly encourage these companies (mainly micro and small-sized enterprises) to continue to take risks when investing and bringing European non-national films, big and small, entertainment and arthouse to local audiences. This is why distribution should remain at the forefront of MEDIA thinking, in order to leverage public investment to best effect.
- **Sales agents** are an important partner for filmmakers, producers and distributors, who license films for all rights and releases. They have an international vision of markets, through their relationships with buyers and festival programmers all over the world, both inside and outside of Europe. They follow-up on the international career of films, from sales all the way through to distribution, as well as on the international film festival circuit through direct financial participation with pre-sales and co-productions, development of international strategies and marketing films to foreign distributors in cooperation with directors and producers. This also includes the discovery and promotion of new talents and exploring new horizons for international distribution. Sales agents are essential for the circulation and B2B promotion of films and, with the support of Creative Europe MEDIA, they are able to face current market challenges and open up new possibilities for international distribution.
- **Cinema theatres** represent the best means of promoting films due to their proximity to audiences and engagement with their preferences and habits. A film's theatrical success serves as a driving force for its performance on other platforms. Cinemas are cultural hubs – dynamic meeting places that enable citizens to experience the wealth of cultural diversity Europe has to offer. Cinema operators' continued financial commitment to upgrading their offers and

audience development initiatives represents key re-investment into the wider European audiovisual sector and supplements the broader benefits provided by cinema theatres, such as local employment opportunities and urban regeneration. In 2019, cinemas in Europe attracted a record 1.34 billion admissions.

One of the most important features of MEDIA is the support to the creation, development and sustainability of the Europa Cinemas network – 3, 131 screens in 43 countries committed to show the best of European films.

- **Video publishers** (both offline and online) play an integral role in building audience awareness around films and TV programmes by developing marketing in the markets in which they operate, optimising the distribution/publication in all channels (offline and online) and recouping investments in production. Here, the MEDIA Programme should incentivise private investments in the circulation of European non-national films and TV programmes on a title-by-title basis so as to truly incentivize the wider circulation of and access to films and audiovisual content across the EU.