

# Procedure file

Basic information		
INI - Own-initiative procedure	<a href="#">2014/2148(INI)</a>	Procedure completed
European film in the digital era		
Subject		
3.30.01 Audiovisual industry and services		
3.30.06 Information and communication technologies, digital technologies		
4.45 Common cultural area, cultural diversity		
4.45.08 Cultural and artistic activities, books and reading, arts		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>CULT</b> Culture and Education		10/09/2014
		PPE <a href="#">WENTA Bogdan Brunon</a>	
		Shadow rapporteur	
		S&D <a href="#">KAMMEREVERT Petra</a>	
		ECR <a href="#">MCCLARKIN Emma</a>	
		ALDE <a href="#">DIACONU Mircea</a>	
		GUE/NGL <a href="#">MICHELS Martina</a>	
		Verts/ALE <a href="#">TRÜPEL Helga</a>	
		EFDD <a href="#">ADINOLFI Isabella</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>EMPL</b> Employment and Social Affairs	The committee decided not to give an opinion.	
	<b>ITRE</b> Industry, Research and Energy	The committee decided not to give an opinion.	
	<b>IMCO</b> Internal Market and Consumer Protection	The committee decided not to give an opinion.	
	<b>JURI</b> Legal Affairs	The committee decided not to give an opinion.	
European Commission	Commission DG	Commissioner	
	<a href="#">Communications Networks, Content and Technology</a>	OETTINGER Günther	

Key events			
15/05/2014	Non-legislative basic document published	<a href="#">COM(2014)0272</a>	Summary
24/11/2014	Committee referral announced in Parliament, 1st reading/single reading		
24/03/2015	Vote in committee, 1st reading/single reading		
01/04/2015	Committee report tabled for plenary, single reading	<a href="#">A8-0123/2015</a>	Summary
27/04/2015	Debate in Parliament		
28/04/2015	Results of vote in Parliament		

28/04/2015	Decision by Parliament, 1st reading/single reading	<a href="#">T8-0108/2015</a>	Summary
28/04/2015	End of procedure in Parliament		

### Technical information

Procedure reference	2014/2148(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Modified legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	CULT/8/01727

### Documentation gateway

Non-legislative basic document		COM(2014)0272	15/05/2014	EC	Summary
Committee draft report		<a href="#">PE544.209</a>	17/12/2014	EP	
Amendments tabled in committee		<a href="#">PE546.779</a>	30/01/2015	EP	
Committee report tabled for plenary, single reading		<a href="#">A8-0123/2015</a>	01/04/2015	EP	Summary
Text adopted by Parliament, single reading		<a href="#">T8-0108/2015</a>	28/04/2015	EP	Summary
Commission response to text adopted in plenary		<a href="#">SP(2015)461</a>	22/09/2015	EC	

## 2014/2148(INI) - 15/05/2014 Non-legislative basic document

**PURPOSE:** presentation of a Communication entitled "European film in the digital era Bridging cultural diversity and competitiveness".

**BACKGROUND:** worldwide praise is given to the European film heritage. However, most European films do not reach all their potential audience in Europe and even less so in the global market. For the most part, films stay on national markets but, even there, some fail to secure any other local distribution channels.

In this context, the digital revolution offers more possibilities and flexibility for distribution and is having a fundamental impact on audience behaviour. It is essential therefore to adapt to the digital era and use its potential to keep existing audiences and reach new ones, and to build bridges between cultural diversity and competitiveness.

The Communication provides a stocktaking of recent developments in the film sector and identifies current challenges in public policies impacting the film sector.

It also highlights existing EU instruments that could contribute to the process of adaptation to these challenges.

**CONTENT:** the Communication aims at improving the complementarity between the Member States and the Union policies in the area of cinema heritage and its promotion. In particular, it promotes common directions to better embrace the opportunities and address the challenges related to the digital shift while taking account of cultural and linguistic diversity and the varieties of the national audiovisual landscapes.

It stresses the need for a joint effort to strengthen the global efficiency of existing funding tools for the competitiveness and diversity of the European film sector.

The main trends: in the EU, European films represent on average 62.52% of releases and account for 32.9% of admissions. Box office receipts and admissions of European films fall far behind those of US productions. The Communication underlines that only a small minority of European films are released in cinemas outside of Europe (8% in 2010).

At the same time, television is still the most widely used platform for watching films. In 2011, 41 % of the almost 122 000 feature films shown on TV in Europe were of European origin.

While DVD is declining, Video on Demand (VoD) is a relatively new form of distribution expected to grow significantly in the coming years. In 2012, the VoD market recorded a growth rate of 59% in

Germany and 14.7% in France.

The Communication indicates that while cinema attendance has remained stable in recent years, that the Europeans go to the cinema less

than once a month (39% never go to the cinema). Apart from in cinemas, Europeans watch films on free TV (79% of the population), on DVD (67 %). Mobile viewing therefore represents an important market especially as viewers increasingly expect to watch content anytime, anywhere and on every device. Average video online viewing per viewer, while still relatively low in the main EU markets, increased between 155% and 200% over the period 2008 to 2011

- structural weaknesses of the European film sector: the Communication highlights the structural weaknesses of the sector which prevent it reaching larger audiences:
- fragmentation of production and financing: the European film sector is composed mostly of small and micro enterprises relying on limited intangible assets. A large majority of European films are not profitable and do not recoup their investments. It is therefore difficult for European companies to become more stable. In addition, the complex film production financing system is being challenged by changes in distribution and consumption, triggered by digital technologies;
- limited incentives to internationalise projects : more generally, the film sector does not mobilise appropriate finance for projects with an international focus. Projects therefore tend to target domestic audiences. The potential of co-production to increase the outreach of a given film could be better exploited; too many co-productions still lack a clear strategy for distribution in the countries concerned and beyond;
- more funds for distribution and promotion: the focus of film policies on support to production overshadows the potential of distribution across all possible platforms. The rigid system of release windows (passage to other media of viewing cinema films) prevents the development and use of new, innovative release strategies and business models:
- too slow to digitise: Europe is lagging behind in terms of digitisation: only 1.5% of film heritage has been digitised. This is explained by a lack of funding and high costs both in money and time for clearing rights;
- shortcomings in entrepreneurial skills: initial training for cinema professionals often fails to deliver the necessary entrepreneurial and business skills. Relations between film schools and business are weak and training is still not offering sufficient opportunities to gain an international perspective and contacts.

Commission proposals: a concerted effort at all levels would be needed in order to overcome these structural weaknesses. A series of measures are proposed which can be summarised as follows:

1) Reviewing the financing environment: a successful European film industry needs a rebalancing of spending between production, distribution and promotion of films, including progress via: i) strengthening public funding schemes by optimising its overall added value of funds granted, for example, ensuring that the project is developed in such a way as to reach its targeted audience or ensuring that publicly funded projects are accompanied by a well-designed distribution and marketing strategy. In this regard, the new [MEDIA programme](#) may make a useful contribution; ii) to better involve new actors in the value chain such as, for example, Netflix which may invest primarily in series but also increasingly in other genres like documentaries and comic monologues (stand-up comedies); iii) to allow access to private financing through EU financial instruments, such as, for example, guarantee funds opening up access to private funding, as provided by the [programme COSME](#) ;

2) Designing an innovative business environment: rapid developments in the sector call for sufficient flexibility to allow operators to experiment and to test new approaches and business models. Flexibility is particularly needed on release windows (for example, after cinema release, for VoDs and on-line broadcast) to enable the testing, developing and use of alternative release strategies adapted to different types of films and maximising complementarities of different platforms to reach out to audiences. This could secure additional audience share for those European films and maximise the effect of marketing efforts. Simultaneous or more coordinated release in cinemas across borders or more rapid access for online services could also be explored;

3) Strengthening the creative environment: cooperation among European film schools (on curricula or mobility) and creative partnerships between schools and businesses are to be encouraged. The objective should be to promote a better match of training and skills with the needs of industry (including entrepreneurial, ICT, advertising and marketing skills). It should also aim to bring a more international and global audience perspective to the creative part of the industry. Creative cooperation should also be encouraged between the film sector and other sectors.(TV fiction, video games and cross media).

Finally, measures are planned to enlarge the target audience. Information on audience preferences and consumer behaviour could help to better identify and target factors that can contribute to the success of a film.

There is also a need to promote the visibility and discoverability of European films, and to engage with audiences. Film education also constitutes a major investment for tomorrow's audiences. Here, the ["Creative Europe"](#) programme may contribute to improve approaches in this field.

Next steps: in the face of rapid evolution in the sector, there is a need to promote a European debate and open a dialogue with all stakeholders public authorities and private sector about film policy in Europe. The debate should focus on the shared objectives of making the rich diversity of European films more accessible.

To this end, the Commission intends to launch a European Film Forum, a process building on existing instruments, aiming at promoting the exchange of experience and practices, and the studying and sharing of knowledge on issues of common interest. The main focus of the Forum should be to debate public policies for the film sector and to involve on a voluntary basis interested parties.

## 2014/2148(INI) - 01/04/2015 Committee report tabled for plenary, single reading

The Committee on Culture and Education adopted an own-initiative report by Bogdan Brunon WENTA (PPE, PL) on European film in the digital era.

Films are goods that are both cultural and economic. They contribute greatly to the European economy whilst helping shape European identities by reflecting cultural and linguistic diversity. The European film industry is one of the world's largest producers (1500 films released in 2014) but is characterised by a heterogeneous structure in terms of both funding and type of production. European films are characterised by their quality, originality and diversity, but suffer from limited promotion and distribution across the Union.

In this context, the parliamentary committee made the following recommendations:

Promotion, cross-border distribution and accessibility: Members encouraged the European film industry to pursue the development of innovative services, new business models and distribution channels to improve the cross-border availability of European films in the Union and, beyond that, to allow viewers across the Union to have access to an ever greater range of films across a growing number of platforms.

The report stressed the need for:

- greater legal offers of high quality, and for awareness-raising among young people to counter the impact of unauthorised use of creative works;
- targeted marketing across the Union that takes into account the cultural specificities of European audiences;
- greater availability of subtitled films in order to boost the cross-border circulation of European films;
- promote and support European co-productions;
- encourage the production, distribution and promotion on the European and global markets of high-quality European TV series which have had growing success;
- strengthening measures for better optimisation of the price of cinema tickets, development of innovative promotions and subscription offers that would help ensure the attractiveness of, and access of all to, cinemas.

The report notes the role played by MEDIA in supporting subtitling and dubbing and supports initiatives such as the Commission's pilot project Fostering European integration through culture, aimed at reinforcing the provision of subtitled European films by providing new subtitled versions of selected TV programmes across all Europe.

Audience development: Members encourage distributors and cinema exhibitors to increase the visibility and availability of non-national European films in order to reach wider audiences. They call on the Commission and the Member States to provide support to equip all screens with digital projection and sound technology in order to prevent the disappearance of small and independent cinemas.

Level playing field: Members recall that the [Audiovisual Media Services Directive](#) obliges Member States to ensure that on-demand service providers promote European works. However, the Directive has been implemented in an uneven manner with different levels of legal requirements, and that this could result in providers establishing themselves in Member States with the lowest requirements.

The Commission is called on to take the above into account when proposing a review of the current legal framework, in order to ensure a level playing field on the European audiovisual market with fair and equal conditions for all providers

Funding: Members consider it necessary to increase funding in real terms for film distribution, promotion and marketing without this being at the expense of funding for production

Member States are invited to:

- to increase public funding in order to support at an early stage the distribution and promotion of national films abroad, as well as of non-national European films;
- to promote incentives to facilitate the production, distribution, availability and attractiveness of European films; applying the same reduced VAT rates to cultural audiovisual works whether sold online or offline stimulates the growth of new services and platforms;
- highlight the role to be played by [Creative Europe's](#) Guarantee Facility, in terms of facilitating access to finance for SMEs in the cultural and creative sectors.

The report:

- calls on the Member States to reinforce their efforts to improve media literacy, and in particular film literacy, in school curricula and institutions of cultural education;
- supports innovative projects and practices such as the Commission's preparatory action on the circulation of European films in the digital era.
- calls on Member States to ensure the digitisation of cinematographic works.

Lastly, it welcomes the Commission's initiative to establish a European Film Forum, in order to facilitate a structured dialogue with all stakeholders in the audiovisual sector on the challenges currently faced by the sector in the digital era.

## 2014/2148(INI) - 28/04/2015 Text adopted by Parliament, single reading

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The European Parliament adopted by 607 votes to 50, with 32 abstentions, a resolution on European film in the digital era.

The European film industry is one of the world's largest producers (1500 films released in 2014) but is characterised by a heterogeneous structure in terms of both funding and type of production. European films are characterised by their quality, originality and diversity, but suffer from limited promotion and distribution across the Union.

Given that films are goods that are both cultural and economic, Parliament made the following recommendations:

Promotion, cross-border distribution and accessibility: Parliament encouraged the European film industry to pursue the development of innovative services, new business models and distribution channels to improve the cross-border availability of European films in the Union and, beyond that, to allow viewers across the Union to have access to an ever greater range of films across a growing number of platforms.

The resolution stressed the need for:

- greater legal offers of high quality, and for awareness-raising among young people to counter the impact of unauthorised use of creative works;

- further exploration of the development of cross-border portability of audiovisual services, taking account of the rapid growth of Video on Demand (VOD) and online transactions across the Union;
- targeted marketing across the Union that takes into account the cultural specificities of European audiences;
- greater availability of subtitled films in order to boost the cross-border circulation of European films;
- promote and support European co-productions;
- encourage the production, distribution and promotion on the European and global markets of high-quality European TV series which have had growing success;
- strengthening measures for better optimisation of the price of cinema tickets, development of innovative promotions and subscription offers that would help ensure the attractiveness of, and access of all to, cinemas.

Parliament noted the role played by MEDIA in supporting subtitling and dubbing and supports initiatives such as the Commission's pilot project 'Fostering European integration through culture', aimed at reinforcing the provision of subtitled European films by providing new subtitled versions of selected TV programmes across all Europe.

**Audience development:** Members encourage distributors and cinema exhibitors to increase the visibility and availability of non-national European films in order to reach wider audiences. They call on the Commission and the Member States to provide support to equip all screens with digital projection and sound technology in order to prevent the disappearance of small and independent cinemas, in particular in small towns and less-developed regions.

**Level playing field:** Parliament recalled that the [Audiovisual Media Services Directive](#) obliges Member States to ensure that on-demand service providers promote European works. However, the Directive has been implemented in an uneven manner with different levels of legal requirements, and that this could result in providers establishing themselves in Member States with the lowest requirements.

Members also stated that all those who benefit economically from European cinematographic works, even if indirectly, through direct provision, marketing or dissemination, including links or provision by means of video-on-demand, should contribute financially to the making of European films.

The Commission is called on to take the above into account when proposing a review of the current legal framework, in order to ensure a level playing field on the European audiovisual market with fair and equal conditions for all providers.

**Funding:** Parliament stressed that to increase support for development, promotion and international distribution, public funding for production and distribution needs to be better balanced.

Member States are invited to:

- increase public funding in order to support at an early stage the distribution and promotion of national films abroad, as well as of non-national European films;
- promote incentives to facilitate the production, distribution, availability and attractiveness of European films; applying the same reduced VAT rates to cultural audiovisual works whether sold online or offline stimulates the growth of new services and platforms;
- highlight the role to be played by [Creative Europe's](#) Guarantee Facility, in terms of facilitating access to finance for SMEs in the cultural and creative sectors;
- urge greater availability of subtitled films in order to boost the cross-border circulation of European films, increase awareness of Europe's cultural and linguistic diversity amongst viewers, and improve mutual understanding.

The resolution:

- called on the Member States to reinforce their efforts to improve media literacy, and in particular film literacy, in school curricula and institutions of cultural education;
- supported innovative projects and practices such as the Commission's preparatory action on the circulation of European films in the digital era.
- called on Member States to ensure the digitisation of cinematographic works, given that only 1.5% of the European film heritage has been digitised.

Lastly, Parliament welcomed the Commission's initiative to establish a European Film Forum, in order to facilitate a structured dialogue with all stakeholders in the audiovisual sector on the challenges currently faced by the sector in the digital era.