

## Newsletter # 21 - January 2010

*FERA represents film and TV directors as the primary creators of audiovisual works. The director, as the creative decision-maker in a collaborative artistic process, has the final responsibility for the aesthetic cohesion and artistic integrity of the work. FERA defends the art and craft, and the creative and economic rights of the director, as essential to the diversity of European audiovisual culture.*

### FERA CONFERENCE

#### **FERA Conference “Imagining Cinema in the Digital Age: Creativity and New Ways of Distribution”**

FERA organised a conference on 28 January at the European Parliament in Brussels titled “Imagining Cinema in the Digital Age: Creativity and New Ways of Distribution”.

European audiovisual directors, experts in the audiovisual field and representatives of the European Parliament and European Commission had the opportunity of exchanging views on topics such as the role of film directors in the digital age, new technological tools, in particular 3D, and new opportunities for online distribution, as well as how to secure the necessary legal framework and financial support in a changing audiovisual environment.

The conference was hosted under the patronage of Helga Trüpel, Vice-chairwoman of the Committee on Cultural and Education and Isabelle Durant, Vice-president of the European Parliament.

**Press Release and Final Programme available at:**

<http://www.filmdirectors.eu/?p=869>

**Interviews with some of the speakers from the FERA Conference available on Cineuropa:**

<http://www.cineuropa.org/video.aspx?lang=en&documentID=134691>

### FERA

#### FERA Activities

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##### **FERA welcomes Turkish Film Directors’ Association**

At the last meeting on December 15 and 16, the FERA Executive Committee accepted the application from the Turkish Directors’ Association (FilmYon) to become member of FERA.

FilmYon, with its 122 members, will formally become a full member of FERA after a confirmation vote by the next General Assembly Meeting in 2010.

**Turkish Directors’ Association website (in Turkish):**

<http://www.filmyon.org/>

##### **FERA Contribution to the Reflection Document “Creative Content in a European Digital Single Market: Challenges for the Future”**

FERA has posted its comments to the Reflection Document “Creative Content in a European Digital Single Market: Challenges for the Future” published by the two Directorates General, DG Information Society and Media and DG Internal Market and Services.

**Contribution available on FERA website:**

<http://www.filmdirectors.eu/wp-content/uploads/2010/01/FERA-Contribution-to-the-Reflection-Documents2.pdf>

## **FERA Contribution to the Commission Consultation “EU 2020” Strategy**

FERA has submitted its comments to the Consultation Paper the Future “EU 2020” Strategy published by the European Commission.

**Contribution available on FERA website:**

<http://www.filmdirectors.eu/wp-content/uploads/2010/01/FERA-Contribution-to-EU2020-Strategy.pdf>

## **News from the Members**

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### **Presidential election in Croatia**

Social Democrat Ivo Josipovic won the Croatian presidential elections with 60.3% of the votes against the 39.7% of Zagreb mayor Milan Bandic.

Mr Josipovic is a lawyer and an expert in authors' rights, a music composer, former president of the Croatian composers association (DHS), and founder of an effective Croatian collective rights management model. The Croatian Film Directors Guild (DHFR) welcomes his election victory, as Mr Josipovic has been an advisor and ally of DHFR in all of the legal actions taken in the last decade.

**Croatian Film Directors Guild website (in English):**

<http://www.dhfr.hr/home-eng.htm>

**Press Article on Croatian elections:**

<http://www.reuters.com/article/idUSTRE60924820100111>

### **Italian Authors, Producers and Filmworkers on Strike**

On 19 January, producers, authors, and film workers called for a general strike against a decree that would “devastate the independent audiovisual industry”.

Several organisations (including 100Autori and ANAC) protested before the headquarters of the public and the private broadcasters RAI, Sky and Mediaset in Rome. They asked for the reintroduction of several rules including the norm that gives remaining rights to independent producers; the reintroduction of quotas of European audiovisual works in distribution and broadcast in prime time on TV; and the reintegration of quotas on investment in Italian documentary and feature films.

The organisations also requested a roundtable between the government, associations of authors and producers, and trade unions.

**100Autori website (in Italian):**

<http://www.100autori.it/>

### **Nordic Regional Meeting**

On January 22 and 23, Swedish Film Directors invited representatives from directors' organisations in the five Nordic countries (Iceland, Finland, Norway, Denmark, and Sweden) who together form the Coalition of Nordic Film Directors (SNF - Samenslutningen av Nordiske Filmregissører). SNF usually meets 1 - 2 times per year. FERA CEO Elisabeth O. Sjaastad was present at the Stockholm meeting.

After an open meeting with members from the Swedish directors' associations in Stockholm, giving a country-by-country update (including FERA), SNF moved on to the scenic Såstaholm estate to share more detailed information about the current situation in each country and discussing what could be done to improve it. More than pure information exchange, the main goal of the seminar was inspiration: a sharing of experiences that could be put to use by all of the associations.

Elisabeth O. Sjaastad presented the current FERA projects and priorities, urging the Nordic countries to join forces and choose a common project to work on in 2010. The representatives also talked about authors' rights, salary levels, final cut and the way the national film consultants, who choose what films to support, work in the different countries.

## EUROPEAN INSTITUTIONS

### European Commission

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#### **Public hearings of the Commissioners-designate**

The European Parliament Committees invited the 26 Commissioners-designate to public hearings to present their programmes and proposals for the new five-year Commission and face rigorous questioning by the MEPs. The hearing assessments from the committees were examined by the President of the Parliament Jerzy Buzek and the heads of the political groups, and they approved 25 of the 26 candidates. Bulgarian nominee Rumiana Jeleva had to withdraw her candidature after political controversy surrounding her board membership in several private companies, and a poor performance at her hearing. The vote for the new Commission was postponed. The new Bulgarian candidate, Kristalina Georgieva, will have her public hearing on 3 February and the Commission as a whole will have to be approved during the plenary session in Strasbourg on 9 February.

**Press Article:**

<http://euobserver.com/?aid=29178>

**European Parliament Hearings website:**

<http://www.europarl.europa.eu/hearings/default.htm;jsessionid=1FB8144F8286CCA8E811737B4274A577?language=EN>

#### **Androulla Vassiliou Hearing Commissioner-designate for Culture, Education, Multilingualism and Youth**

On 14 January, Androulla Vassiliou presented her plans for the new portfolio and answered questions from the MEPs in the Culture and Education Committee.

In her opening statement, Ms Vassiliou expressed her determination to use the Agenda for Culture as a promotional tool to enhance creativity in Europe and announced a Green Paper in 2010 which “will help us to identify the European and national actions which allow our creativity to flourish”.

Referring to the MEDIA Programme - which will now sort under the Directorate General for Culture - Ms Vassiliou put emphasis on the importance of making European Cinema a competitive industry at the international level in order to generate economic growth and boost employment.

The Cypriot candidate also mentioned the impact of the new digital technologies and her will to work closely with Neelie Kroes, Commissioner-designate for the Digital Agenda portfolio.

**Opening speech:**

[http://www.europarl.europa.eu/hearings/static/commissioners/speeches/vassiliou\\_speeches\\_en.pdf](http://www.europarl.europa.eu/hearings/static/commissioners/speeches/vassiliou_speeches_en.pdf)

**Written answers to Culture Committee:**

[http://www.europarl.europa.eu/hearings/static/commissioners/answers/vassiliou\\_replies\\_en.pdf](http://www.europarl.europa.eu/hearings/static/commissioners/answers/vassiliou_replies_en.pdf)

#### **Neelie Kroes Hearing Commissioner-designate for Digital Agenda**

On 14 January, Neelie Kroes appeared before a joint session of the Industry, Research and Energy, Cultural and Education, and Legal Affairs Committees presenting her plans for the Digital Agenda portfolio and answering the MEPs' questions.

In her opening speech, the Dutch candidate declared that Europe “must invest smartly to exploit its strengths; creating the conditions for the Digital Economy in Europe to flourish”. According to Ms Kroes, the Digital Agenda will have to focus on six areas: Research and Innovation, Infrastructure, Trust and Security, Access and Skills, Open standards and Interoperability, and a Digital Single Market.

Having been asked to illustrate the priorities for her new mandate, the Commissioner-designate Kroes listed four main concerns in the field of Information and Communications Technologies (ICT): “1) building high speed networks for the future; 2) making the Digital Single Market a reality; 3) ensuring that all citizens participate in the information society; and 4) generating more, better targeted support for ICT research and innovation”.

Dissatisfied with her hearing performance, deemed fraught with vague answers and knowledge gaps, Ms Kroes was called back for an unusual second closed-door hearing on January 19, after which her candidacy was approved.

President Barroso has also appointed Neelie Kroes one of seven Vice-Presidents of the Commission.

**Opening speech:**

[http://www.europarl.europa.eu/hearings/static/commissioners/speeches/kroes\\_speeches\\_en.pdf](http://www.europarl.europa.eu/hearings/static/commissioners/speeches/kroes_speeches_en.pdf)

**Written answers to Industry Committee:**

<http://www.europarl.europa.eu/hearings/commissioners/getHomePage.htm?language=EN>

**Press Article:**

<http://www.euractiv.com/en/priorities/kroes-sails-second-parliamentary-screening/article-189060>

## **Michel Barnier Hearing Commissioner-designate for Internal Market and Services**

On 13 January, Michel Barnier French Commissioner-designate for Internal Market and Services was questioned by MEPs on the Committees for Internal Market and Consumer Protection, and Economic and Monetary Affairs.

In his opening remarks, Mr Barnier called for refreshing the internal market by improving regulation of the financial services industry and pointed out the necessity of strengthening “the confidence in the opportunities and the protection that the internal market offers”. Barnier’s second priority for the next five years would be promoting creativity and innovation by guaranteeing an appropriate legal framework for copyright and, third, to improve life and work conditions for European citizens.

In his conclusion, Mr Barnier will pursue collaboration with international partners while protecting European values and norms in fields such as protection of investments, fair competition, and intellectual property.

**Opening speech:**

[http://www.europarl.europa.eu/hearings/static/commissioners/speeches/barnier\\_speeches\\_en.pdf](http://www.europarl.europa.eu/hearings/static/commissioners/speeches/barnier_speeches_en.pdf)

**Written answers to Internal Market and Economic and Monetary Affairs Committees:**

[http://www.europarl.europa.eu/hearings/static/commissioners/answers/barnier\\_replies\\_en.pdf](http://www.europarl.europa.eu/hearings/static/commissioners/answers/barnier_replies_en.pdf)

**European Parliament Press Release:**

[http://www.europarl.europa.eu/hearings/press\\_service/product.htm?ref=20100112IPR67166&secondRef=0&language=EN](http://www.europarl.europa.eu/hearings/press_service/product.htm?ref=20100112IPR67166&secondRef=0&language=EN)

## **State aid: Commission approves €576 million Spanish film support scheme**

The European Commission has authorised €576 million Spanish film support scheme until 31 December 2015. The scheme is a package of complementary selective and automatic measures; the selective support is directed to art-house films while the automatic, audience-based support aims to encourage independent producers to make better-financed films.

Some claimed that the aid was not available to films under €600,000 and that no preference was given to female filmmakers. However, the Commission verified that within the scheme, films under €600,000 can benefit from the selective support and from part of the automatic support and that there is no EU legislation which requires film support schemes to ensure that half of the films supported are written or directed by female filmmakers. As a result the Commission considered that the Spanish scheme is in line with the rules of the Commission’s Cinema Communication and compatible with EU rules on aid to cultural objectives under certain conditions.

“I commend the Spanish authorities for targeting the aid to increase the cultural diversity of films available to Spanish audiences” EU Competition Commissioner (soon to be Commissioner for Digital Agenda) Neelie Kroes said in a statement.

“This scheme should improve the visibility and popularity of Spanish independent films, not only in Spain but worldwide, without unduly distorting competition” she said.

**Europa Press Release:**

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/57&format=HTML&aged=0&language=EN&guiLanguage=fr>

**Press Article:**

<http://cineuropa.org/newsdetail.aspx?lang=en&documentID=134227>

## **EU E-commerce Directive under threat in Italy**

The European Commission expressed its concerns about the draft Italian law which requires video-sharing websites to check that the user-generated contents are legal before posting them on their platforms. This

law would infringe the E-Commerce Directive since it would impose a long bureaucratic process to Internet providers offering user-generated contents (which represent the largest amount of videos on such sites).

Marco Pancini, Google senior policy counsel in Italy, underlined that the Directive clearly required TV to be regulate differently from user-generated content in order to encourage users to upload their videos.

An EU official stated that the European Commission will start an infringement procedure for non-notification against Italy stating that in the Directive “there is no general monitoring obligation for Internet service providers” and that video-sharing platforms are not included in the audiovisual media service and should not be covered by national laws.

**Press Article:**

<http://www.euractiv.com/en/infosociety/youtube-eu-commerce-rules-threat/article-189261>

## European Parliament

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### Commission gives Parliament extended powers

On 27 January European Commission President José Manuel Barroso granted the Parliament a five-page agreement that tightens relations between Parliament and Commission.

According to the agreement, President of the Parliament Jerzy Buzek will be allowed to attend the weekly meeting of the Commissioners when decisions on major laws are on the agenda, while Mr Barroso will participate in meetings of political group leaders when legislative and budgetary matters are discussed.

Additionally, the monthly question-and-answer session between MEPs and President Barroso will be extended to Chief of Foreign Affairs Catherine Ashton and other commissioners. The Parliament will also have the right to ask for the resignation of individual Commissioners; under the Lisbon treaty, MEPs can dismiss the entire Commission but not individual members.

MEPs have also acquired additional rights in terms of international negotiations with the possibility for the head of the relevant delegation to participate as observer in the process (especially in the area of trade).

The new “Framework Agreement” which will govern relations between the two bodies for the next five years, will be submitted to a vote on 9 February during the plenary session before the vote on the incoming Barroso II Commission.

**Press Articles:**

<http://www.euractiv.com/en/node/255711>

<http://euobserver.com/9/29373>

## Copyright

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### European Commission proposes single online music licensing

According to the press, digital copyright and online piracy will be a pivotal point in the Spanish EU Presidency Agenda and is likely to be discussed in May on the occasion of the Telecoms Ministers’ meeting in Madrid.

Meanwhile, industry and consumer stakeholders were called to contribute to the EU Paper “Creative Content in a European Digital Single Market: Challenges for the Future” jointly published by DGs Information Society and Internal Market.

In the paper, the Commission expresses its concerns on the “contradictory national initiatives” and called for a harmonisation of legislation and collecting society practices.

Currently the author must have a separate licence agreement for his/her work in each of the 27 member states and users often cannot access content whose rights are managed in a different country.

The Commission proposed to merge two existing copyrights (reproduction and performance) into one with the ambitious aim of allowing content providers to buy a license that covers the whole production chain of rights, including several authors, composers, producers and recording artists.

The paper will be followed-up by new Commissioners for the Digital Agenda, Neelie Kroes, and for the Internal Market, Michel Barnier, once they are formally appointed in February.

**Press Article:**

<http://www.euractiv.com/en/infosociety/eu-pushes-single-online-music-licensing/article-188665>

## IN THE MEMBER STATES

### Cinema Box Office & Figures

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#### Record audience for Spanish box office

Provisional figures from Nielsen EDI show a record in admissions (110 million) with box office takings over €675m, representing the highest figures in Spanish history.

Local films registered high results with a market share of around 15% and a growth of taking of 35% compared to 2008. The box office revenues were mainly driven by the highest price of the tickets for 3D films since the overall admissions fell to 102,356,800 in 2009 from 104,928,570 the previous year.

Projections predict that 2010 will see further positive results thanks to some important local productions due to be released.

**Press Articles:**

<http://cineuropa.org/newsdetail.aspx?documentID=128366>

<http://www.screendaily.com/news/box-office/local-and-3d-films-drive-spanish-box-office-growth/5009709.article>

#### French films sold 66m tickets internationally

According to preliminary figures, in 2009, French films outside France sold 66 million tickets with €350m incomes (a drop of 17% compared to 2008).

The US remains the strongest territory for French films with 24 million admissions in 2009 for a total revenue of €128m followed by Japan and China.

Concerning figures from the national territory, France grossed €1.2bn with 200.85 million admissions thanks also to 3D films and the great earnings for single features. According to CNC, 51 films got more than 1 million admissions with around €6m in the box office.

**Press Articles:**

<http://www.screendaily.com/news/distribution/french-films-attract-66m-admissions-internationally/5009721.article>

<http://www.variety.com/article/VR1118013518.html?categoryid=3762&cs=1>

#### Italian box office up 5% in 2009

According to Cinetel, Italian box office in 2009 registered a 5% revenue rise with €623 million gained in 2009. Despite the fact that admissions were stable at 99 million tickets, the higher price of 3D tickets provided an increase in incomes. US films had a 65% market share while domestic films saw an increase of 5% to 20%.

While most local exhibitors are satisfied with the outcome of the year, the press and sectors of the national film community complained about the absence of several English-language features from local screens and distributors blamed the closure of 750 single-screen cinemas in urban areas for niche titles.

**Press Article:**

<http://www.variety.com/article/VR1118013465.html?categoryid=1278&cs=1>

#### Greek local market share drops while admissions rise in 2009

2009 saw an incredible increase of 30% in admissions while noting a drop in local market share of 200,000 from the previous year with 1.7 million spectators.

It was also a great year for distributors, among them Audio Visual saw a grand total of 4.4 million admissions with six of the ten top films at the box office. It was followed by Odeon (with 3.4 million admissions), Village Films (2.6 million tickets sold) and UIP Greece (2 million tickets).

**Press Article:**

<http://cineuropa.org/newsdetail.aspx?lang=en&documentID=129192>

#### US cinema dominates Hungary in 2009

2009 saw a 4% increase in admissions nationally, and an impressive 14% in Budapest theatres alone. However, 17 out of the top 20 films in Hungary were Hollywood productions while the only big domestic success was *Made in Hungaria* by Gergely Fonyó (ranked at the 17<sup>th</sup> place in the top 20).

Concerning the distributors, Intercom got the top position with 42.6% market share, followed by Fórum (up to 24.48%) and UIP (despite the drop to 16.23%).

**Press Article:**

<http://cineuropa.org/cfocusnewsdetail.aspx?lang=en&treeID=1631&documentID=127831>

### **Czech admissions fall by 3%**

Due to the raise in tickets price, Czech Republic saw an increase by 2% in monetary terms (with around €50m) while the admissions figures registered a decline of 3%.

The major beneficiaries were the multiplexes (the country has currently 6 multiplex operators and 196 screens) which accounted for 87% of the total box office.

Concerning the titles, the top 10 films grossed around €20m with five of them being local films.

**Press Article:**

<http://www.screendaily.com/news/box-office/czech-admissions-fall-but-sales-rise-on-ticket-price-increase/5010053.article>

### **Polish Film Institute publishes report on 2009**

The Polish Film Institute (PISF) published a report with the facts and figures for 2009. According to the report, 170 Polish films were presented in competition at over 230 international festivals with strong distribution at the international level.

2009 was also a record year in terms of admissions with 38 million (4.2m more than in 2008) and with Polish films accounting for a total of €34.2m revenue.

PISF supported 130 productions in 2009 (including 49 narrative films, 65 documentaries and 16 animations) with a total of over €59m.

**Press Article:**

<http://cineuropa.org/newsdetail.aspx?lang=en&documentID=134041>

### **Finnish market share down 8% in 2009**

With 15% in domestic market share Finland saw a drop of 8% compared to the previous year as general admissions went down 6.7 million (-2.4%). According to Harri Ahokas, head of Distribution at the Finnish Film Foundation, these results represent a U-turn in comparison to the past three years (with stable results of over 20%) and are mainly due to the absence of local children and family films. 2010 should see better results thanks to the release of three domestic family films and the digitisation of theatres.

**Press Article:**

<http://cineuropa.org/newsdetail.aspx?lang=en&documentID=129193>

### **Swedish box office rises 22%**

According to the Swedish Film Institute local films saw a record market share of 33% second only to US movies (54%). In 2009 the box office yielded a total of €152 million (up 22%).

This achievement was mainly made possible by the *Millennium* trilogy, which got the first, second and sixth place in the top list of 2009 films.

**Press Article:**

<http://www.variety.com/article/VR1118014458.html?categoryId=3762&cs=1>

### **A good year at the Dutch cinemas**

In 2009 Dutch cinemas sold 27.2m tickets, an increase of 15.2% compared to 2008, and an increase of box office income (up to 21%) thanks to the rise of the ticket price.

Domestic films sold a total of 4.73 million tickets (5 million more than in 2008) reaching 17.4%. Hollywood films took almost 70% of the box office while European films (excluding Dutch works) took 12.3%.

334 films were distributed by the regular channels; 45% of the films distributed were from the US, 335 from Europe, and 10.4% from the Netherlands.

As for the festivals, the four main national film festivals attracted 710,000 visitors with International Film Festival Rotterdam topping the list.

**Press Article:**

<http://cineuropa.org/newsdetail.aspx?lang=en&documentID=127871>

## **UK admissions reach higher level**

The figures revealed by UK Film Council (UKFC), show an increase in admissions, with a total of 173.5m (9.3 million more than in 2008) and €1bn earned at the box office.

The figures reveal that the overall market share of British films (including US co-productions) was 16.5% in 2009 and independent local films attained a great market share at 8.5%.

### **Press Article:**

<http://www.screendaily.com/news/uk-ireland-news/-uk-cinema-admissions-reach-highest-level-for-seven-years/5009771.article>

## **Cultural and Audiovisual Policies**

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### **German government agrees on new film funding law**

On 27 January the Federal Cabinet has agreed to force public and private broadcasters to contribute to the German Federal Film Board (FFA). The decision came after cinema chains protested against the German Film Law according to which exhibitors and the audiovisual industry are legally obliged to make contributions while broadcasters are allowed to negotiate them.

The German Court of Leipzig ruled that the levy was unconstitutional. The Federal Constitutional Court in Karlsruhe will have the last word on the issue.

Minister for Culture, Bernd Neumann who aims to have the new law in place before summer, stated that the decision will ensure the stability of the Film Board and will allow it to support films.

### **Press Article:**

<http://www.screendaily.com/territories/europe/german-government-agrees-new-film-funding-law/5010179.article>

### **Icelandic Filmmakers protest against public television cuts**

On 22 January Páll Magnússon – Managing Director of the Icelandic public broadcaster (RUV) – announced that RUV would withdraw its investments in independent film and TV productions as results of the 10% cut planned by the State. As consequence, over 250 Icelandic filmmakers and producers protested claiming that the decision is against the Service Agreement signed in 2006 with the government. According to the deal, the public channel is obliged to invest around €1.1m a year in independent national productions.

Iceland Culture Minister Katrín Jakobsdóttir expressed doubts about the broadcaster's decision and affirmed that she would clarify the situation in a meeting with the RUV board.

Despite her successful effort to decrease the government cuts from 34% to 24%, the film budget for 2010 is €2.5m, nearly €1m less than in 2009.

### **Press Article:**

<http://cineuropa.org/newsdetail.aspx?lang=en&documentID=134380>

### **Italy signs tax shelter for production and tax credit for theatre digitalisation**

Italian Minister of the Economy Giulio Tremonti has finally approved the tax credit for digitalising theatres and signed the decree into law. Earlier in January Paolo Protti, president of the film exhibitors association ANEC, lamented the delay of the signature without which the decree would expire in December 2010. Mr Tremonti also endorsed the tax shelter for businesses outside the audiovisual industry that invest in film production and distribution.

### **Press Articles:**

<http://www.cineuropa.org/newsdetail.aspx?documentID=129346>

<http://www.cineuropa.org/newsdetail.aspx?lang=en&documentID=134501>

### **House of Lords report on the future of the UK film industry**

On 25 January the House of Lords published a report on the future of British film industry proposing to make cinema video recording illegal. According to the present legislation, cinema operators can only expel people caught with cameras but they cannot confiscate their equipment (while in the rest of Europe this is already a criminal offence).

Another aspect of the report concerns the level of tax relief available to national low-budget films. The House of Lords proposed to raise the figure from 20% to 30% for British films whose budget is less than €5.7m.

Finally, the report recommended a partial privatisation of BBC Worldwide in order to allow the broadcaster to become a major worldwide brand for distributing British TV content.

**Press Article:**

<http://www.screendaily.com/news/corporate/uk-ireland/comunications-committee-calls-for-uk-camcording-law-higher-tax-relief-for-low-budget-films/5009979.article>

<http://www.cineuropa.org/newsdetail.aspx?lang=en&documentID=134438>

## Cinema, Audiovisual, Digital and Internet Trends

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### **Growth of TV channels and multi-channel platforms in Europe continues despite the crisis**

According to the European Audiovisual Observatory, more than 245 European TV channels were launched in 2009. The sport channels lead the sector with 38 new channels, followed by channels for children (17). Among these channels several digital terrestrial television (DTT) networks were launched while over 150 new thematic channels on the cable, satellite and Internet Protocol television (IPTV) platforms and several local channels were opened. Simultaneously around 220 channels stopped their transmission in 2009, especially due to the closing of the Localia network, stopping over 100 local Spanish channels.

Additionally, DTT services have been implemented in six European countries (Germany, Denmark, Finland, Luxembourg, the Netherlands and Sweden) with the complete switch-off of analogue terrestrial broadcasting in some regions of Austria, Belgium (Flemish Community), the Czech Republic, France, Italy, Norway, and the UK. Switch-off is due to take place in 2010 in Austria, Malta, Spain and Slovenia.

Finally, the Observatory reports that at the end of 2009, there were over 7200 television channels in 29 countries in Europe (EU 27, Croatia and Turkey). Of these channels more than half are regional or local, 43% are national and 6% international.

**Audiovisual Observatory Press Release:**

[http://www.obs.coe.int/about/oea/pr/mavise\\_end2009.html](http://www.obs.coe.int/about/oea/pr/mavise_end2009.html)

### **Blu-ray disc sales increase in 2009**

The British Video Association (BVA) has revealed the figures on home entertainment in the UK. According to BVA, Blu-ray disc sales rose to 8.4 million units in 2009 with a growth of 123%. The 5.6% decline in DVDs sales was, according to Lavinia Carey (BVA General Director), the result of copyright theft and the changing retail market.

However, the BVA's predictions for 2010 are positive thanks to the growing digital and Blu-ray discs market. High Definition (HD) TV is estimated to rise from 58% of UK TV households in 2009 to 72% in 2010.

**Press Article:**

<http://cineuropa.org/cfocusnewsdetail.aspx?lang=en&treeID=1627&documentID=127842>

### **France proposes levy on search engines and internet service providers**

The French Cultural Ministry commissioned a report which proposes 22 measures to support cultural works in the digital age. One of these measures includes the so-called "Google tax" on online advertising which would apply to search engines and internet service providers (ISP) as well as to the telecommunications companies that connect users and businesses to the internet.

The precise figure of the tax was not disclosed but the initial total could correspond to around €30 million a year. The report also proposes a music voucher system that would allow people aged 15-24 to buy songs and albums online via a card that would cost between €20 and €25 but worth €50. A similar system could be used for films and digital books.

**Press Articles:**

<http://euobserver.com/871/29228>

[http://www.variety.com/article/VR1118013443.html?categoryid=13&cs=1&utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+variety%2Fheadlines+%28Variety+-+Latest+News%29&query=france+looks+to+tax+online+ads](http://www.variety.com/article/VR1118013443.html?categoryid=13&cs=1&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+variety%2Fheadlines+%28Variety+-+Latest+News%29&query=france+looks+to+tax+online+ads)

## Copyright

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### Spain approves anti-piracy legislation

The Spanish government approved the anti-piracy legislation as part of the Sustainable Economy Bill. The new rules will allow the national federal court (National Audience) to close or block websites facilitating illegal downloads. The new system would confer upon content owners to denounce a copyright infringement to the Ministry of Culture which will transfer the complaint to the National Audience. One of the judges of the Audience will then have four days to decide on temporarily closing the website while waiting for further investigation.

Copyright infringement is a large problem in Spain and initial reports on the subject expressed some doubts on the chances for survival of websites that switch from illegal to legal content online.

**Press Article:**

<http://www.variety.com/article/VR1118013577.html?categoryid=13&cs=1&nid=2562>

## OUTSIDE EUROPE

### Record year for Hollywood

Hollywood films registered astonishing box office incomes with €7.6bn and an increase of 7% compared to 2008. This total takes into account all countries excluding USA and Canada.

Concerning the Hollywood majors, Fox leads the chart with six titles in the foreign top ten and a total gross of €1.7bn; it is followed by Sony (with 21% of market share and €1.5bn) and Warner Bros (17% of market share and €1.3bn).

**Press Articles:**

<http://www.cineuropa.org/newsdetail.aspx?lang=en&documentID=127839>

[http://www.hollywoodreporter.com/hr/content\\_display/news/e3i6ad645d17ccf55b7ce7ef12cdd8057f7](http://www.hollywoodreporter.com/hr/content_display/news/e3i6ad645d17ccf55b7ce7ef12cdd8057f7)

### Brazilian box office grows 33% in 2009

According to figures released by Filme B, Brazilian box office grew 33% during 2009, with ticket sales getting close to €327m. With a total of 84 titles released, Brazilian films saw 16m admissions accounting for a market share of 14.2% (best data since 2004). This achievement is partly attributed to the country's economic growth, Brazil is in fact one of the first economies to recover from the global financial crisis.

**Press Article:**

<http://www.screendaily.com/news/distribution/economic-recovery-spurs-brazils-33-box-office-hike-in-2009/5009750.article>

### Japanese box office rises 5.7%

Motion Picture Producers Association of Japan estimated that in 2009 Japanese box office grew 5.7% to €1.6bn, registering the second highest result ever (the record year is 2004 with €1.7bn).

Admissions also grew 5.5% to 169,297,000 with national films claiming 56.9% of the market share. In 2009 448 Japanese films were released compared to 314 foreign titles.

**Press Article:**

<http://www.variety.com/article/VR1118014399.html?categoryid=1278&cs=1>

### China reports 44% rise in box office

According to China Film Group Corporation the national box office in 2009 grew 44% with €649m income, representing the sixth year of growth since 2003.

Based on the partial data given by the State Administration of Radio Film and Television (SARFT), China Film spokesperson Weng Li declared that in 2010 the national box office will continue to grow. Exhibitors linked the exceptional box office results to the development of theatres and especially multiplexes. According to Weng, by the end of 2009 there were 4,700 screens including 750 3D screens and 1,800 digital screens in the country.

In terms of production, 456 films were produced in 2009, 56 more than in 2008.

**Press Articles:**

<http://www.screendaily.com/news/distribution/exhibition-surge-fuels-44-climb-in-2009-china-box-office/5009468.article>  
[http://www.variety.com/index.asp?layout=print\\_story&articleid=VR1118013439&categoryid=1278](http://www.variety.com/index.asp?layout=print_story&articleid=VR1118013439&categoryid=1278)

### **Australian box office rises 15%**

Motion Picture Distribution Association of Australia (MPDAA) has revealed that the gross box office for 2009 reached €705m registering an increase of 15% from 2008.

MPDAA estimated the admissions to 90.7 million, 6.1 million more than 2008. However, Mike Beard, MPDAA Chairman, clarified that this success was mainly driven by the higher ticket price of 3D films.

According to Screen Australia, 50 Australian films were released in 2009 and they earned a total of €35m (5% of the annual takings). In general, 418 films were released in 2009; 213 from the USA (representing 83% of the income) and 34 from the UK (9%).

**Press Article:**

<http://www.screendaily.com/news/box-office/australian-box-office-rises-15-in-best-year-on-record/5009899.article>

### **Bollywood premieres film on YouTube**

Director Helmer Chandan Arora will premiere his film *Striker* on YouTube simultaneously with its theatrical release in India. The film will be available for free in all other countries with the exception of USA where the film will be available for rental. The deal was signed by Google India and the Indian Film Co. and Studio 18.

Bollywood has already made other films available online. In 2006 Production company Rajshri Group premiered *Vivah* on its website on the same day as its theatrical release for a fee generating 4 million legal downloads internationally and great success at the box office in India.

**Press Article:**

<http://www.variety.com/article/VR1118014454.html?categoryid=1009&cs=1>

### **YouTube signs deal with Sundance to distribute films**

YouTube signed a deal with Sundance Film Festival to distribute creative content for a limited timeframe (from 22 to 31 January). According to the agreement, five independent films from the 2009 and 2010 festivals will be made available in the USA on a digital rental basis and the cost of each film is of around €3.

Under the deal, the content owner sets the price and the rental window while revenue is shared between YouTube and the content owner, with the owner taking an unspecified majority.

**Press Article:**

[http://www.screendigest.com/online\\_services/intelligence/broadband/updates/bi-260110-mb1/view.html](http://www.screendigest.com/online_services/intelligence/broadband/updates/bi-260110-mb1/view.html)

## **AGENDA**

### **9 February 2010 the European Parliament vote on new Commission**

The Jose Manuel Barroso II Commission will be put to a vote by the Members of the European Parliament in a plenary session in Strasbourg on 9 February. Should the vote be positive, the new Commission will take office on 10 February.

**European Commission website:**

[http://ec.europa.eu/index\\_en.htm](http://ec.europa.eu/index_en.htm)