European film in the digital era

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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 considers 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.