European film in the digital era

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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.