Cinema and television: establishment of a European guarantee fund to promote production

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The Council took note of the progress made on the decision to establish the Fund and held an exchange of views that confirmed the need to examine the proposal in greater depth so that the matter might be debated, on a set of new legal bases, at the November 1996 sitting. The positions taken up by the delegations on the proposal for a decision, following the work done to date (including the exchange of views at the Ecofin Council on 11 March 1996), can be resumed as follows: The majority of the delegations were in agreement with the principle of creating a tool to promote cinema and television production. Within this group, however, several delegations adopted a more guarded approach towards the proposal, primarily for three reasons: - the lack of clarity surrounding the draft agreement between the Commission and the European Investment Fund and the attitude of the financial institutions towards their participation in the project; - scepticism about the financial self-sufficiency of the Fund; - the need to be more specific about the position of SMEs in the wording of the proposal. This question especially concerned those countries that did not have a very well developed cinema and television industry, this sector being based for the most part on small and medium-sized companies. Other delegations were either opposed to or guarded about setting up a Guarantee Fund, mainly because: - they doubted the Fund's capacity to be self-financing; - they doubted the willingness of the sector concerned to provide the sums indicated by the Commission; - they did not consider that Community funding to the amount of ECU 90 million was justified; - they were of the view that the Fund would not be an adequate instrument for mobilising private capital; - they believed there was a risk that the aims of the proposed decision might not be achieved because the Fund could be forced to concentrate on big-budget productions; - they maintained that by virtue of the principle of subsidiarity any promotion of cinema and television production should primarily remain the responsibility of the Member States.