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

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The Committee considers that the Fund should be allocated its own independent resources from the Community budget, rather than taking the estimated MECU 90 from the MEDIA II Programme, as planned. There is a need to identify more clearly which types of producer are to benefit from the Fund; a choice has to be made between large-scale productions capable of competing internationally with the Americans, or the independent producers and film-makers who represent the best of European culture, and whose genuine masterpieces have earned them a place in the world market in recent decades. Therefore, small and medium-scale production companies should be favoured, with emphasis on plans for more films in order to be able to balance possible successes and failures and to limit risks. The cultural development aspect of the operation should be stressed along with the economic wisdom of producing programmes as a defence against a commercial invasion. From this point of view the Fund should be restricted to cinema alone, excluding audiovisual productions, serials and dramas made exclusively for television. Since the appropriation is limited, it might be worth considering offering a level of cover within a band between 20% and 50%, so that the Fund is able to assist a larger number of productions while limiting the risks of investment and thus encouraging banks to be come involved. Any reinsurance of the investment risk must not be charged to the intended beneficiaries but to the Fund itself, otherwise the funding could lose much of its value.