How can the European Commission and public bodies supervise and contribute to the digital roll-out?

EUROPA CINEMAS CONFERENCE

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THE FINNISH FILM FOUNDATION

Some background:
The World is changing…

Megatrends (by Andresen,Kruse, Petterson…)

- Ageing
- Globalization
- Technological development
- Prosperity
- Individualization
- Commercialisation
- Health and environment
- Acceleration
- Network organizing
- Urbanization

Trends on film industry

- Digitization: all channels of distribution
- No gatekeepers, no exclusivity?
- Convergens of television and internet
- 3 D coming to home entertainment
- Voddler and other new technologies
- New players on VOD (teleoperators)
- Crowd-sourcing & fandepedence in production
- Social media campaings in marketing
- Film festivals now part of distribution

Public bodies and technology

- The answer to change is digital
- Going digital asap is Le Must
- At least the same quality on picture & sound as 35 mm and worldwide standard
- One technology in cinemas guarantees wide diversity on programming
- Pushing forward 100 % digital distribution (SmartJog etc.) the next step
- Technology serves content distribution,not vice versa

Public bodies and financing

- Public financing needed when cinema market is in general weak or there are sectors which are weak (independent cinemas, rural cinemas, arthouses)
- Possible disturbing the market is regulated by DG Competition:

  State aid notification in place in few countries, more to come
- Public finance is money with morals and ethics:

  no other way than transparency!

Public bodies and training

- Specially independent cinema owners need training to handle transition right
- It is not only tecnichs but more how to best use it for more diverse programming
- Media Salles DigiTraining Plus good example (8 th edition in June 2011)
- Europa Cinemas training activities
- Training = knowledge + contacts, networking
- National training programmes also needed: knowledge beats fear of change

Case Finland

- Population: 5.2 million
- Low frequency: 1.3 per year
- 295 screens; 50 % one screen
- Biggest cinema chain market share 75 %
- Domestic market share 20-25 %; European15-20 %,

  USA 60-65 %; Others 2-5 %
- Digitisation financed by The Finnish Film Foundation:

  40-50 screens/year
- Guidelines: EU Commission Notification &

  National Guidelines by FFF
- Main rule: max 50 % of costs (without VAT)
- De minimis rule: even over 50 %

Finland: Some results

- 35 % of screens digitized 2010
- Significant increase of prints: both domestic and international almost doubled
- Smaller cities/cinemas get premieres in time
- Documentaries got a new life and succes in cinemas; their market share almost 10 % in 2010
- 3 D was a generator; new content coming a bit slowly
- Negative: distributors unvoluntary to share the costs;lack of 35 mm prints

Finland: Next steps

- Proposal to Ministry of Education and Culture:

  full digitisation at the end of 2013

- First VPF –deal in Finland early 2011:

  not total, but it takes appr. 70 % of market

- New content specially to small cinemas
- Networking over borders
- Training activities:

  National training + DigiTraining Plus next edition

  in Helsinki June/July 2011

Finally

Digitisation is not a problem…

Digitisation is a solution !

Thank you

Merci