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Contribution from the Danish government on the European Commissions consultation on assessing State aid for films and other audiovisual works

The Danish government welcomes the European Commissions consultation on assessing State aid for films and other audiovisual work. To fulfil the potential – both economic and cultural – of the film and audiovisual industry in the Member States it is necessary to have contemporary State aid assessment criteria for support for producing films and audiovisual works.

In general the Danish government recommends that the Cinema Communication will be object for a review that brings a new Cinema Communication in line with the development in the film and audiovisual industry and the effects of the digital revolution on the industry. This without losing the focus on European films as a strong cultural product which creates a unique cultural diversity among the member states.

More specific the Danish government would like to comment on to the following topics set by the Commission:

Why do we fund film?

Public subsidy is important to sustain European film production. Films play an important role in shaping European identities and they reflect the cultural diversity of the different traditions and history of the Member States.

By the same time audiovisual works and films are economic goods offering opportunities for the creation of wealth and employment. Films are a part of the creative industry and are contributing to the EU 2020-strategy.

The film production therefore has a twofold face that has to be recognised in the Cinema Communication.

Subsidy race to attract major film production

The Commission is expressing concern on competition among Member States to use state aid to attract inward investment from large scale, mainly US, film production companies.

The Danish State aid is given to the film production and not through tax incentives or other measures to facilitate the production of international films in particular territories. This can be done on a regional level.

The Danish government is not aware of the extent of the use of public subsidies that could lead to a subsidy race among the Member States. But a higher transparency for these schemes could be needed as an overview of the numbers of European and US films that are subsidised by these schemes.

On this question the Commission should be aware of not disturbing the conditions for European co-production and bilateral treaties with third countries.

About “cultural test” and other methods for defining film as culture it is the opinion of the Danish government that it is the Member States themselves that should define what constitutes culture and not the be defined in the Cinema Communication. That’s also counts for the setting of the conditions for receiving the subsidies.

The scope of the Cinema Communication

As mentioned by the Commission some Member States offer support for activities other than film and audiovisual production, including film distribution and film promotion, which are not covered by the Cinema Communication.

The Danish government would like to see an extension of the scope of the Cinema Communication to cover the whole value chain of a film production from development to production and consumption.

It is also the opinion of the Danish government that there is a need to reconsider the definition of audiovisual works covered by State aid criteria of the current Cinema Communication which are limited to films and TV productions. Here there is a need to incorporated new types of audiovisual works such as cross-media. In particular interactive works such as video games should be assessed using the same criteria as for films and televisions productions.

Territorial conditions

The Danish State aid is given as support for film productions that reflects Danish culture and contributes to develop the Danish film industry. Denmark has no territorial criteria in our film support schemes.

The current Cinema Communication allows Member States to insist that up to 80% of the production budget of a subsidised film production is spent in the Member State offering the aid.

The Danish government would like to draw the attention to the fact that is the decision of the Member States themselves if they want to use this opportunity. We will encourage the Commission not to overregulate on this subject.