

**Joint Declaration by Professional Organisations representing European Producers,  
distributors and publishers of film and audiovisual content in the context of an Online  
Directory of European Films**

The undersigned organisations (the “Signatories” or “We” below) represent producers and their business distribution partners of film and audiovisual content in the EU and the EEA.

We wish first to express our appreciation to Commissioner Gabriel for her personal efforts and commitment in shaping the European Commission’s budgetary proposal for the new generation of the Creative Europe’s MEDIA strand - an ambitious roadmap for the future of the European audiovisual sector.

The Signatories also wish to thank Commissioner Gabriel and her services for the consultative process enforced around a potential online directory of European films. We have studied with interest the Manifesto for an Online Directory of European Films proposed for endorsement by the relevant professional organisations. We now wish to convey our collective views on the overall objectives of increased visibility and availability of European films and audiovisual works online, on the ways to achieve this goal and the proposed commitments embedded in the Manifesto:

- **We agree that the distribution of European films and audiovisual works in Europe and in third countries is essential for the viability of the European film and audiovisual sector.**
- **We also agree that the promotion and findability of films and audiovisual works on online platforms represents a new challenge for the film and audiovisual sector in particular given the fact that most of the platforms are (in general) not involved in the financing and/or the marketing of the films and audiovisual works they license to distribute through their services.**

Indeed over the past decade, revenues generated in markets beyond the (co-)production country(-ies) are becoming increasingly more and more important for the recoupment of development and production investments. This significant trend is the result of several factors including the harmful impact of piracy, the decline of the physical home entertainment market segment and the still modest revenues generated through online distribution whether through transactional or subscription-based services.

European right holders, whether producers as one-stop-shop for rights, business operators in distribution and publishing on physical media and online etc - have always embraced and developed new distribution opportunities in order to respond to the audience demand. They have strongly contributed to the sustained level of competition and innovation in order to deliver high quality audiovisual content and services, thereby enriching European audiences’ experiences through multiple offline and online offer in Europe and abroad.

We also acknowledge the key role played by regional, national and European public authorities in backing producers’ and their distribution and publishing partners’ financial risk

taking when investing to develop, produce, distribute, and market audiovisual works in home markets as well as outside (co)-production countries.

We recall the pragmatic adaptation by the film and audiovisual sector to the cultural realities of a European Union comprising 28 Member States with diverse national and regional cultures, audience preferences and market conditions, requiring culturally and linguistically tailored approaches to distribution and marketing.

We also wish to highlight that 31% of the films shown in European theaters are non-national European films. In 24 EU Member States, theaters are showing more non-national European films than national ones<sup>1</sup>. Whilst there is always room for improvement, the market is culturally and linguistically diverse in terms of content and in terms of access opportunities offline as well as online.

In regard to the online availability and promotion of European films and audiovisual works, the key questions for European producers and their business partners in distribution and publishing are the following:

1. How to engage additional online platforms to get involved in the financing, distribution and marketing of licensed films and audiovisual works? How to secure that the emergence of European champions in online distribution – whether public service broadcasters and/or private entities - will allow producers and their business partners in distribution and publishing to recoup their private investments in development, production, distribution and marketing?
2. How to secure that policy decisions at EU or national level do not favor those business models which generate less revenues for the value chain than others (e.g. subscription-based models over transactional models)? How to secure that future policy decisions will fully allow the market to develop under basic principles such as the respect of commercial freedom. But also understanding that the bargaining power between European producers and media companies involved in online distribution activities is fundamentally unbalanced because of different market structures in the different Member States.
3. How to reduce the existing financial barriers for producers - or his/her business distribution and publishing partner(s) - to make more non-national European works available and seen online? This is particularly important as private investments in marketing have already been made in the distribution chain (and therefore audiences are aware of the work's existence in at least one specific EU national market).

**In this context, the Signatories take good notice of the proposed creation of an online directory of European films (DEF below) and the related Manifesto.**

We wish to share the following perspectives on the initiative:

- The format of the Manifesto unfortunately does not correspond to professional organisations' core mandates. As trade organisations, we do not hold in our mandates the authority to committing each of our current – and future – members (and their members in turn when applicable) to “facilitate the setting up of reliable

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<sup>1</sup> See Press Release dated 6th March, 2018 – Report on the Circulation of Films in Cinemas, TV and VOD

and constantly updated data on the availability of European films online in various VOD services in the different Member States”.

- We understand that there is consensus among the stakeholders already consulted that the DEF project should build on existing databases and tools. Our organisations are members of the Advisory Committee of the European Audiovisual Observatory (EAO), we therefore share information/intelligence with the EAO for inclusion in the various databases and statistical tools maintained by the EAO. We agree that it is preferable to avoid duplication and that it would be valuable to assess which role existing databases and tools can play in the development of a DEF.
- In our opinion, in order for the DEF to be useful to industry and to promote further commercial exploitation and access, it should thrive to offer a voluntary directory of where films are released and/or available for licensing. The goal should be to promote further commercial exploitation and thus improved access for European audiences in full respect of the freedom to contract and the commercial and economic realities of each individual title. In order for such an initiative to be helpful to the market place, it should be voluntary and respect the freedom to contract – i.e. a tool to seek further and improved commercial exploitation – a sort of additional international vitrine for available rights – and thus leading to increased access for European audiences.
- We consider it important to respect existing distribution arrangements, including those resulting from the increased visibility of films available for licensing as a result of the DEF. This is in line with the general European Commission commitment to respect the value of rights in the audiovisual ecosystem – an essential element in raising financing for production and organizing the optimal marketing and distribution.

The MEDIA programme has played a key role in this respect over the past many years and the efforts required to create a market for films outside their home market have not decreased with the arrival of digital distribution technologies as expressed above.

On the contrary, more content is now available in more ways, necessitating even more focused marketing and distribution efforts for audiences to discover European non-national content. For instance, a wide range of existing industry-driven projects aim at offering access where there is no commercial exploitation.
- We believe and agree that there is also an important role for linking with the film and audiovisual sector’s national discoverability initiatives, many of which are gathered in the European-level portal [AGORATEKA hosted by the EUIPO](#). Producers, distributors and video publishers have played a key role in developing these initiatives across Europe and are ready to continue this work in cooperation with the AGORATEKA and the European Audiovisual Observatory.
- With respect to the need to increase efforts on branding, promoting and editorializing content in order for the DEF initiative to be successful and more widely for the success of European films, we take note of the comments in the Manifesto concerning increasing consumer preference for SVOD services.

However, we recall that this consumer preference is currently more pronounced in terms of TV content than in respect of films, and that care should be taken not to favour one exploitation model over another. It is a well-known fact that the revenue streams back to right holders vary considerably between various distribution models with a resulting impact on the over-all profitability and sustainability of the film and audiovisual sector. This is also true in the online distribution environment where revenues generated “per view” vary as a function of whether a title is accessed through EST, TVOD or SVOD services, etc. Increased audience volume from e.g. SVOD services will hence not necessarily rectify this situation, and this issue must also be seen in the wider context of raising financing for production where theatrical release and transactional exploitation models currently contribute more funds to production than e.g SVOD services.

- Finally, we wish to reiterate the important role played by dedicated professional national distributors and publishers of audiovisual content with local market expertise in creating a market and consumer awareness in each territory, offering the content in question with professional dubbing, sub-titles, etc.

We hope that these comments will clarify how our organisations see the collective challenges ahead with respect to increasing the circulation of non-national European films online as well as on the important initiative to create an online Directory for European Films.

By contributing to the ongoing reflections, we also wish to reiterate our openness and our commitment to continue the discussions with the European Commission and all relevant stakeholders in the European film and audiovisual community with a view to achieving the important policy objective set to foster the distribution of European films and audiovisual works. We confirm engagement with the process and our willingness to contribute with our expertise when and where possible whilst, at the same time, as professional organisations it is unfortunately not within our mandates to sign the Manifesto.

**CEPI – Coopération Européenne des Producteurs Indépendants** represented by Elena Lai, Secretary General

**EPC – European Producers’ Club** represented by Alexandra Lebret, Managing Director

**EuroCinema** represented by Yvon Thiec, General Delegate

**FIAD – Fédération Internationale des Distributeurs de Films** represented by Nikolas Moschakis, Secretary General

**FIAPF – Fédération Internationale des Associations de Producteurs de Films** represented by YBP - Benoît Ginisty, Managing Director

**IVF – International Video Federation** represented by Charlotte Lund Thomsen, Legal Counsel

[16/07/2018]