



**International Confederation of
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PUBLIC SUPPORT POLICIES TO ART CINEMAS IN EUROPE

A Mini Guide Based On 23 Countries

2006 update

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'ART CINEMA = ACTION + MANAGEMENT'

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Introduction

"God helps those who help themselves"

When the International Confederation of Art Cinemas was founded in 1955, its main statutory aims were to encourage the unity of theatres dedicated to cinema as an art, and to persuade public bodies to support them.

At that time, cinema was not supported as it is nowadays and, in France for example it was under the authority of the Ministry of Industry... Fifty years later, art cinema support policies have been developed in several countries and allow the resistance, in front of all-commercial chains, of active networks of independent cinemas devoted to culture.

It is important to underline that in those countries where cultural cinemas have received long-term support, quality cinema is better widespread and domestic film share is stronger. The countries who developed these policies are obviously those where movie theatres united their efforts in order to establish partnerships with governments and local institutions, obtaining substantial benefits as a counterparts of their own commitment to carry out useful field action.

These 2 elements are inseparable : quality films need cinemas to be united in order to gain the proper exposure to the audiences, while these cinemas need supporting policies in order to reduce the risk inherent to ambitious programming.

"God helps those who help themselves"...

Unity is necessary to obtain support and attention !

Nowadays the discrepancies regarding the position of quality cinema around Europe highlight the urgent necessity to level up the policies of each individual State in favour of their movie theatres. The European Observatory for audiovisual showed in its 2004 report that as little as 10% of the total public money invested in cinema in Europe is dedicated to exhibition... the great ongoing puzzle on "how to make European cinema stronger in Europe" finds a first obvious and immediate solution in rebalancing public subsidies towards the art cinemas, for the ultimate sake, obviously, of movies themselves !

May this "vademecum", modest and basic guide to public support policies based on the individual input of fellow exhibitors present at our Venice seminar, be useful to all those colleagues who work isolately with no public help. It is by federating their efforts that they will be able to convince public power to define the policy, even modest, that better suits their country's needs.

Pierre Todeschini
President of the CICAÉ

Methodology

The present document is one of the outputs of the CICAIE Seminar "ART CINEMA = ACTION + MANAGEMENT" held on the campus of San Servolo in Venice in March 2005 as the main exhibition training activity promoted by the MEDIA Programme of the European Community: for 10 days, 60 young exhibitors from all Europe listened to some 50 professionals and experts to improve their knowledge of the cinema industry and their practice on how to run efficiently a cinema dedicated to artfilms. One third of the time was dedicated to personal interventions of the trainees themselves.

The first workshop was dedicated to discover and analyze the public policies developed to sustain quality cinema-going and strengthen the theatres that work in this direction. The material contained in this report was provided by the trainees themselves, on the basis of their personal knowledge and the data they could find locally.

Each of them was asked to answer 3 questions :

- is there a national system (including subvention and/or tax regulations) to support art cinemas
- is there a national structured mechanism to foster film education of the young audience, in particular during school-time ?
- what other forms of public direct involvement in art cinemas are remarkable ?

Therefore this is not to be read as an official or expert report, as it probably contains some mistakes or lacks, and has no universal value as it is limited to just half of the European countries. However we considered valuable to make it available to the professionals and institutions willing to improve the national or regional systems, as a modest overview of what is currently being done in 15 countries of all Europe, including 5 new member States.

Each country's policy is briefly presented on one page, except for those countries where the system includes a vast variety of public actions and tools (France, Germany), or those cases treated by the trainees with a level of detail which seemed interesting to report (Poland, Scotland).

Key figures

Prior to presenting each national / regional policies, it is quite interesting to keep in mind the scores realised by each national cinema in its homeland :

Country	Number of feature films produced	Domestic share of national cinema
France	167	38.4 %
Denmark	19	24.0 %
Sweden	36	23.0 %
Germany	87	23.8 %
Italy	111	20.3 %
Finland	18	17.0 %
Spain	109	13.4 %
UK	47	12.4 %
Netherlands	24	9.4 %

Source : Focus 2005 - European Audiovisual Observatory, based on official box-office data 2004.

SYNTHESIS (see synoptic table on the last page)

Public intervention in "Old Western European countries" is very variable and somewhat related to the market background. Three groups of countries with similar policies could be identified :

- A) **Structured public support** benefiting numerous art cinemas : **Denmark, Finland, France, Germany, Italy, the Netherlands or Norway**. In these countries, the policies are very systematic in order to face an important population of art cinemas, ranging from 70-100 (Finland, NL) to several hundred (Germany, Italy, 1.000 in France), which account for 15 up to 25% of the domestic market. The policy consists in :
- reduced VAT rate which provides at the same time a public price reduction and a 7 to 20% tax refund on purchases. In France and Germany this VAT rebate is also justified by the existence of a special tax, which feeds a fund dedicated to finance the industry.
 - operational yearly grants awarded as a counterpart to quality programming (defined by % of art film screenings in France and Italy) and specific work (cycles, kids programmes, etc)
 - exceptional investment grants to encourage renewal
 - structured action to foster "cinema at school" programmes, in general led by national dedicated agencies or commissions and decentralized in each region
 - the central policy is in general completed by regional support, prioritizing cinemas in rural areas and small cities, either by specific grants (Cento Città, Kommunales Kino), by regional cultural centers (Finland's RFCs) or by targeted print striking (French ADRC or Germany).
 - important differences can be spotted out though : in federal Germany the weight of the Länder is obviously decisive and introduces strong differences between regions, in Italy the system relies very much on official decisions (especially on "what is an art film?") while the French system is based on inter-professional commissions, etc.
- B) **Strong public support based on individual cases** / projects : **Belgium, Sweden and UK**. These 3 countries are facing a totally different market situation, with a tremendously concentrated exhibition sector that reduces art cinema to a few, well-identified units. The public practices are similar to those of the A-group but single aids follow a much more "individualized" policy, involving high amounts from various entities. One could say art cinemas there are more isolated than in the A-group (almost *marginal*), but far better treated, be it by the central government, regions or cities, with subsidies frequently reaching 50.000 € or more. They are often non-profit, which allows easier tax exemptions or public subsidizing.
- C) **Weak public support** with apparently no structured policy: **Ireland and Spain**. According to our information, public intervention in these markets - both with high cinema going figures AND highly concentrated exhibition, US-dominated box-office - seems to be limited to one-shot project grants, and direct administration of a few art screens in the capital cities.

In the new member States, institutions must face the impressive backlash suffered by art-cinemas after the post-Soviet privatization and subsequent multiplex proliferation, in countries where cinema-going in old times was flourishing and very much quality-orientated.

The answers seem to have been different :

- in 2004, the Association of **Hungarian Art Cinemas** (most of which are city-owned) obtained the implementation of a complete system, based on programming statistics, similar to those of group-A, including yearly operating grants and an ambitious plan of refurbishment.
- **Poland** created a few months later a project-financing fund (SKS), with a shorter scope and 4 time less money – still, it functioned immediately, on concrete *networking* or single projects.
- in **the 3 Baltic countries**, much smaller in size, the effect of multiplexes was blasting, and just a handful of art cinemas remained in each State, receiving little public support, mainly awarded by cities (e.g. Vilnius) rather than governments. Estonia's "Bring back the cinema" plan helps cinemas refurbishment. Latvia's NFC & KKF support projects rather than cinemas.

The situation in new 'Euro-mediterranean' countries (Bulgaria, Cyprus, Malta, Serbia) is characterized by a low number of cinemas devoted to quality and an absence of structured policies on the topic.

The case of Switzerland is uncertain, since the country recent entry in MEDIA (2006) should generate a complete formulation of the pre-existing policies in order to develop synergies with MEDIA's.

BELGIUM – French Community

National support policy to art cinemas

The VAT on cinema tickets is 6% instead of 21%.

The French Community has signed conventions with 9 film theatres of Brussels and Wallonia involved in the exhibition of arthouse films : Actor's Studio, Arenberg-Galleries, Forum, Nova, the Parc in Charleroi, the Parc-Churchill in Liège, the Plaza Art in Mons, the Vendôme and the Flagey. Some of these theatres also have benefited from exceptional support in 2004 (whether to finance their current activities or to deal with various difficulties).

These subsidies amounted to ~600.000 euros for the year 2004.

The French Community also encourages the exhibitors of the art-et-essai theatres to form a net and has proposed to finance common activities in all these theatres in 2005.

The financial help would amount to 100 000 euros.

National incentive for cinema at school

The French Community insists in every of its conventions with art-et-essai theatres on the fact that a pedagogical work has to be carried out.

On the other hand, it supports the “Ecran large sur tableau noir” action lead by Les Grignoux (<http://www.grignoux.be>).

The amount of this financial support was estimated at ~100.000 euros for the year 2004.

Public direct intervention in art cinemas

The buildings of several art cinemas are property of the Community who leases them at preferential rates to the exhibitors.

Information provided by Nicolas Bassetto, Cinéma Plaza, Mons, Belgium - 2005

BULGARIA

National support policy to art cinemas

IN BULGARIA THERE'S NO NATIONAL OR REGIONAL POLICY FOR SUPPORT OF CINEMAS.

There are some attempts, but they are not so effective.

For example, National Film Center has a rule for subsidies, which is 25 % of the total B.O. of European titles. But, first, they gave us money for the movies, which we already sell quite well (*Gegen die wand*, *Der Untergang*, *Le Marche de empereur*, etc.), and not for the really good and definitely art-house titles, which have a very small public. And, second, for example, they decide not to support the results of "Being Julia", because it's a Canadian co-production ?!?

To understand this absurdity it should be known that our law for the so-called national film industry was accepted by the parliament just 2 years ago.

We've already – but in vain - proposed 2 things:

- to vote a fixed subsidy for all art-cinemas ("Europa Cinemas" members in Bulgaria are just 6), measurable with that of "Europa Cinemas", around 15 000 Euros (30 000 lv.), of course depending on the results, but overall - not of the separate movies ;
- to reject VAT on cinema tickets (20%), which could be a, indirect subsidy (for example, theaters here don't pay VAT, but they present their own stage productions, they don't share the revenues with distributors such is in our case; and books, even textbooks also have VAT).

The truth is that no one here thinks for the development of cinema theaters, what to say about art-house ones. In fact, in Bulgaria there's only one state own cinema - the Cinematheque cinema.

National incentive for cinema at school

There's no even a mind for "incentive relations between cinemas and schools" in the government or municipality officials, what to say about schools directors, which always complained how busy with studies are children and how they don't have any time for such "entertainment" as the movies.

The result is that every child over 7 years is skillful downloader of movies from Internet, and barely knows who are Laurel and Hardy, for example.

This is the joyful absurdity of our daily routine.

Information provided by Vladimir TRIFONOV, Center Cinema, Sofia - 2006

CYPRUS

National support policy to art cinemas

There is no formal tax-shelter or support system for cinemas in Cyprus.

However, the Cyprus government, through its Ministry of Culture is supporting some art-house cinemas in towns and rural.

(For information contact Diomedes Nikitas and Agis Paikos, Ministry of Culture of Cyprus, cultural services, Tel: 00357-22-809507)

The focus of this program is to give government support for cultural cinemas organisation. This support requires a formal proposal, matching investments, and is focussed primarily in main towns. According to the ministry there is no set amount, but many conditions must be fulfilled, and there are some applicants. The calculation for aid is based on individual applicants need and the value of the cinema to the general population.

For example Cinema Club, Cinelesxi (<http://www.cinelesxi.org>) at Limassol get every year a small grant (10,000 €) to purchase screen movies and for organisation.

National incentive for cinema at school

No formal initiative identified.

KIS MEDIA of the Limassol cultural centre is the only media & cinema organisation in Cyprus that have close relation with schools. Unfortunately it does not get a grant support from the Cyprus government, through its ministry of culture. Media Project Proposals were sent but no reply...

Public direct intervention in (art) cinemas

In the main towns there are some art cinemas and theatres that get government support that show movies on rare occasions, usually once a week. These are mainly supported by the towns themselves and the government.

Information provided by Georgios Iosephides, KIS MEDIA, Limassol, Cyprus – 2006

DENMARK

National support policy to art cinemas

The Danish National Filminstitute has two support systems: One for art house cinemas and one for renovation.

The general rules for support for renovation are as follows:

The DFI supports with 1/3 if the local government supports with 1/3 and the cinema itself puts up 1/3 of the amount needed for the renovation. The rules are under revision at the moment and will probably be changed by 2007.

Figures / support for renovation:

- 2005 18 cinemas received a total of 279.871 € ranging from 3.352 to 46.917 €
- 2004 : 21 cinemas - 271.730 € (2.011 to 46.917 €)
- 2003 : 20 cinemas - 337.355 € (1.073 to 48.258 €)
- 2002 : 22 cinemas - 337.400 € (1.341 to 33.915 €).

The general rules for support to art cinemas are as follows :

The cinemas can receive support up to 40.215 Euros for activities and projects in favour of art films in Denmark which includes distribution and screening of films of specific artistic value. Only for art cinemas driven commercially. There are no restrictions as to how many times a cinema can receive support.

Figures / support for art cinemas :

- 2005 : 10 cinemas received a total of 328.419 € ranging from 20.108 to 40.215 €
- 2004 : 12 cinemas - 382.038 € (20.108 to 40.215 €)
- 2003 : 20 cinemas - 350.180 € (1.722 to 40.215 €).

There is no specific tax system for (art) cinemas.

National incentive for cinema at school

DFI also offers support to projects that are directed at children. There are no restrictions as to how many times the same project can receive support over the years. In 2006 DFI for example supported a children's festival, a publisher making educational material for schools and a project teaching school kids to make film, etc.

Figures / kids cinema projects :

- 2006 : 9 projects received support in total 263.137 € ranging from 3.352 (The project teaching schools to make films) to 117.293 Euros (The children's festival).
- 2005 : 10 projects - 364.210 € (1.609 to 107.239 €)
- 2004 : 11 projects - 283.971 (2.011 to 60.322 €)
- 2003 : 16 projects - 286.542 € (403 to 100.537 €).

Public direct intervention in (art) cinemas

9 local governments in the areas surrounding Copenhagen own and have hired managers to run the local cinemas. Apart from that a large number (the exact number is unknown) support the local cinemas in various ways such as rent if they are situated in buildings owned by the city, with money for specific projects like film-clubs for the elderly, schools or young children and so forth but no general funding. Sometimes the local governments have supported extraordinarily a small cinema going through financial crisis.

Information provided by Katrina SCHELIN, Empire Bio Reprise Theater, Holte, Denmark – 2006

ESTONIA

National support policy to art cinemas

There is no formal tax-shelter or support system for cinemas in Estonia.

However, the Estonian government, through its ministry of culture, has instituted a new program titled "Bring Back the Cinema" : since there is a veritable monopoly in the Estonian distribution and exhibition space controlled by Tammsaare with his Coca Cola plaza multiplex and distribution company, which has all of the rights to show major American films, the Estonian government is trying to delicately counterbalance this effect by supporting the ailing art-house cinemas.

The focus of this program is to give government support to cinemas that have old and outdated equipment to renovate or purchase new items. This support requires a formal proposal, matching investments, and is focussed primarily in rural areas. According to the ministry there is no set amount, but many conditions must be fulfilled, and there are over 80 applicants. The calculation for aid is based on individual applicants need and the value of the cinema to the general population. The Illusioon obtained a 9.500 € grant to purchase a video-projector to screen movies available only under this format.

National incentive for cinema at school

No formal initiative identified.

Public direct intervention in (art) cinemas

In the rural areas there are many small cinemas that are still run by the government in the culture houses that show movies on rare occasions, usually once a week. These are largely supported by the towns themselves and the government.

There is also a cinema bus that occasionally visits very small villages in the summer months. Obviously, different cities fund there cinemas differently, according to each city council's objectives.

Information provided by Jeffrey Graff, Cinema Illusioon, Tartu, Estonia - 2005

FINLAND

National support policy to art cinemas

LOWER VAT

Value Added Tax for cinema tickets is 8%, while the normal VAT is 22%. This gives tax refund for cinemas. The refund must be applied for from local tax department.

EXHIBITION SUPPORT

The Finnish Film Foundation grants exhibition support to cinemas, mainly for those located in the countryside or small town cinemas, but not only.

The maximum support is 5000 €/year awarded according to the cinema's own activity, training and development projects, the regional situation, co-operation with schools, networking with other companies and organizations, film festivals etc.

In 2004 there were 220 cinemas in Finland. Exhibition support was granted for 69 cinemas, of which 7 located in larger cities.

National incentive for cinema at school

KOULUKINO (School Kino) was founded in 2001 with a clear and simple guideline : pupils should see films in cinemas during the schoolday and discuss it afterwards.

School Kino is targeted for kids between 8 and 16. Tickets 3,5 to 4€.

Public direct intervention in art cinemas

The Finnish Ministry of Education funds Regional Film Centres (RFC) throughout Finland. The main task of a RFC is to promote filmculture in their own region. These Film Centres (10) form a network of their own. Four of them own and run a cinema.

Public-run cinemas are common in the countryside, but their activity is low : some cinemas have only one screening per week.

More information:

Tax - www.vero.fi

Finnish Film Foundation - www.ses.fi

School Kino - www.koulukino.net

Ministry of Education - www.minedu.fi

Pirkanmaa Regional Film Centre - www.elokuvakeskus.com

Oulu Regional Film Centre - www.ouka.fi/oek

Film Centre of Southwest Finland - www.vselokuvakeskus.net

Information provided by Jirky Päkärinen, RFC Turkü, Finland. - 2005

FRANCE

National support policy to art cinemas

A SPECIFIC TAX SYSTEM TO REFUND THE INDUSTRY

The VAT on cinema tickets is reduced : 5.5% instead of 19.8%.

A special tax (TSA) of ~11% is perceived on cinema tickets to increment the SFEIC (national support fund for the cinema industry). This fund arises to 250-300 M€, financed by the box-office (~110 M€), tax on TV advertising (~120 M€), tax on video-tapes (~30 M€).

The SFEIC is the government tool to fund the industry - development, production, distribution, exhibition, TV & video – in 2 parts : automatic (2/3) and “selective” (1/3). Around 25% of the SFEIC is distributed to the exhibition sector : ~65M€ in 2004 of which 42 M€ automatic, awarded to finance the creation & refurbishment of theatres (600 projects p.y.), and 22 M€ selective, dedicated to the ART & ESSAI support.

THE “ART & ESSAI” SUPPORT

The system is based on the *recommendation* of movies and the *classification* of cinemas :

- A&E movies : a college of 100 professionals decides which movies are rated arthouse
- A&E cinemas : application based on the % of screenings of A&E films and the cultural work achieved (promotion, animation & communication, kids & schools, classics, etc.). To be “classified A&E”, a cinema must match a minimum percentage of screenings dedicated to A&E films which decreases according to the city size : 70% in big cities, down to 30% in rural areas.

A&E cinemas are eligible to 3 types of subsidies for a total of ~22 M€ per year : A&E prize (11 M), Difficult programming (2 M) and Investment support (9 M).

- the A&E prize is calculated according to the screening rate, the size of the cinema and the quality of its action. 1.024 cinemas (out of 2.300 overall) were classified in 2004, receiving an average of 11.000 € (ranging from 1.500 to 75.000 €).
- the Difficult programming prize is only for cinemas exposed to high competition in big cities : 40 art cinemas were eligible in 2004, with an average of 50.000 € each.
- the Investment support is limited to 40% of the overall cost of creation or refurbishment; it finances 70 projects a year, with an average amount of 120.000 €.

KEY FIGURES

Art movies account for 60% of the releases and 15 to 20% of the admissions.

Art Cinemas account for 40% of the screens and 25% of the admissions.

Public operating subsidies amount to 13 M€, i.e. 5% of the box-office of art cinemas.

OTHER STATE-DRIVEN POLICIES THAT BENEFIT (ART) CINEMAS :

- Multiplex regulation : a 1996 law inspired from supermarkets policies submits any new cinema above 300 seats to a specific authorization, given by a commission of 7 local institutions.
- Film Mediator : Supreme authority acting as a referee between distributors and exhibitors to solve conflicts on film release plans.
- "Media Chronology" : regulation to protect theatrical release by imposing a delay to other supports : 6 months for DVD-VHS, 1 year for Pay-TV, 2 years for TV. The counterpart from pay-TV is a lump sum of 12 M€ given to the exhibition sector (~0.06 €/admission).
- Distribution selective support : operating aids to films or companies to enhance diversity and favour art movies
- ADRC (Agency for the Regional Development of Cinema) : finances prints for small cities & rural areas : 2.000 prints per year / 150 films (mostly AE)

National incentive for cinema at school

The CNC invests 7 M€ to foster cinema going during school-time, which generate ~2.5 M admissions, mainly in Art Cinemas (on a total of 50m admissions registered in art cinemas). The system is based on matching funds awarded by public local bodies :

- Ecole et Cinéma : 6-11 years old → CNC + Cities + Ministry of Education
- Collège au Cinéma : 11-15 → CNC + Provinces
- Lycéens au Cinéma : 14-19 → CNC + Regions

The ticket is less than half-price (2.30€), paid either by the institution or the pupils.

The bussing is financed by the local institutions.

A national list of eligible movies is established every year, which allows bargaining lower tariffs with distributors and edition of specific training documentation for teachers & pupils.

Public direct intervention in art cinemas

- ~1.000 out of 5.300 screens are runned by cities
- Taxe Professionnelle (local tax ~3% of all paid salaries) : possible exoneration of 33% to all cinemas, 66% or 100% (only Art cinemas)
- Loi Sœur : allows public entities to subvention private art cinemas

Information provided by Enrico Chiesa, AFCAE, French Association of Art Cinemas - 2005

GERMANY

National support policy to art cinemas

LOWER VAT

The VAT on cinema tickets (as on all cultural products) is reduced, 7% instead of 16%.

A special FFA tax is perceived on cinema tickets, which finances the State's cinema policy : it varies according to the individual box-office from 0 to 3% of ticket price.

Germany being a federal state, support is given both on national and federal state (Länder) level to encourage the work of so-called "Programmkinos" ("Arthouse Cinemas"):

FEDERAL BOARD FOR MEDIA AND CULTURE (BKM)

- "Kinoprogrammpreis" are given each year to excellent cultural programmes, taking into account also the quality of work in favour of documentaries, shorts and young audience movies. The global amount was 1.175.000 € in 2004, shared between 160 cinemas – average prize : 7.350 €, maximum prize : 30.000 €.
- Specific support to strike extra prints for small cities cinemas.

CINEMA SUPPORT CENTER - FILMFÖRDERUNGSANSTALT (FFA)

- Support to projects : zero-interest loans are granted for renovation and refurbishment, with a maximum of 200.000 €
- Support to Cinemas (distribution of the special tax) related to the level of admissions, the quality of programmes and the share of German films ("*Referenzförderung*")
- Specific support to strike extra prints for programme cinemas located in cities under 20.000 inhabitants.

FEDERAL STATES SUPPORT

The policies vary from one Länder to another according to the local situation and to the regional priorities : some don't have any support policy, some grant their own programming prizes and/or zero-interest loans for renovation, and may also fund special projects or extra prints for small cinemas.

Two examples (2004 figures):

Example : Northern Rhenania-Westphalie

- Programme Prize : 413.000 € shared between 46 cinemas. Average is 9.000 €, maximum 20.000 €
- Modernization : zero-interest loan up to a maximum of 100.000 €.
- Support for innovative marketing solutions
- Support for extra prints for small cities.

Exemple : Bade-Wurtemberg

- Programme Prize : 180.000 € shared between 46 cinemas out of 64 candidates. Three levels : 15.000 € for outstanding programming, 7.500 € for very good, 2.500 € based on remarkable actions carried out. The decisions are taken by a Committee of 2 cinema managers (mainstream / Arthouse), 2 film critics and 2 MFG (Länder Cinema Board) executives.
- Modernization : zero-interest loan up to a maximum of 50.000 €.
- Support to municipal cinemas awarded automatically as a 45% bonus on top of the budget allowed by the city itself. Limited to non-profit, independent cinemas.

National incentive for cinema at school

The Agency ‘*Vision Kino – Network for Media and Cinema Competence*’ was founded in 2005 as a joint-venture between the German Cinematheque Foundation, the FFA and the film industry, with a starting budget of 1 M€ financed mainly by BKM and FFA.

It aims at sustaining cinema education during school-time and networking initiatives nationally, among which : edition of educational documents on selected movies and cinema training for teachers.

Public direct intervention in art cinemas

KOMMUNALE KINOS

160 municipal cinemas are financed by cities and Länder, and also receive in some areas (e.g. Bade-Wurtemberg) some additional local support. These cinemas may function on a permanent basis or just screen a few films every month in rented showrooms.

*Information provided by Holger Lüscher, Filmtheater, Münster, - 2005
Gabriele Roethemeyer and Claudine Sulyok, MFG Bad-Württemberg, Stuttgart, Germany*

HUNGARY

Background information

To understand the situation in Hungary it is important to know that before the change of political structure cinemas belonged to the state and were taken over by local governments in 1994. To operate these cinemas local governments first established profit-orientated companies; when multiplex cinemas appeared they changed them into non-profit ones. Suddenly the number of multiplexes, run by chains, grew to huge dimensions and most traditional cinemas closed down with the exception of larger regional cities where the local governments took the responsibility to continue to operate these cinemas - most of them as art cinemas.

After changing these cinemas into non-profit companies the owners of the operating companies, the local governments, started to subsidize them. Ticket price is low (1-2,5 € in art cinemas in the country and 3-4 € in Budapest), due to the financial situation of the resident population, and cannot cover the operation costs in most cases.

National support policy to art cinemas

In 2004 the Hungarian Parliament passed the act No.II., called the Film Act. It defines a financial support per year (~16.5 M€) to be shared among different parts of the sector : film-making, distribution and operating of art cinemas.

The support to art cinemas is two-fold : investment and operating.

INVESTMENT SUPPORT

In 2004 the Cultural Government established a support fund for technical modernization of art cinemas. For five years this fund gives the possibility for local governments to apply for renovation of art cinemas. The government provides 65% and the local government 35% of the costs. With the help of this project 12 art cinemas in the country and 6 in Budapest were renovated (changing of seats, projectors, sound system) for a total of 2 M€.

OPERATING SUPPORT

Total amount : ~1 M€ for distribution and exhibition of art films.

The support is given only to art cinemas with 3 screens maximum.

A cinema is considered as such if it screens at least 60% of movies defined as art movies by the National Film Department, and commits to spend enough on promotion and events.

To get subsidies the admissions for these films should reach 4000 per auditorium in the period of 3 months and maximum 240 screenings can be subsidized per auditorium over this period. The subsidy is of 32 to 44 € per screening depending on the size of the auditorium. At the moment 20 cinemas in the country and 10 in Budapest meet these requirements.

Local governments support the operation of these companies with 10,000-40,000 € in addition to government money.

At the moment the operating conditions of art cinemas are appropriate and because of modernization and the wide choice of offer the admission are definitely growing.

*Information provided by Tibor Bíró, Cine-Mis Ltd, Miskolc, Hungary- 2005
Vice President of the Hungarian ART Cinema Association.*

IRELAND

Background information

Cinema in recent years in Ireland has seen somewhat of a revival. The 1950s saw the glory years of Irish cinema with small towns all over the country hosting several screens. Through the recession years of the late 1970s, these small independent screens gradually shut down and the 1980s saw entire regions with fewer than 5 screens serving audiences. The past decade has seen an explosion of multi screen facilities open throughout the country, generally located in the county largest town, held by a handful of companies.

Through all this time, the Irish Film Institute has operated an art house cinema in Dublin. Ireland's second city Cork has had an art house venue for the past 25 years and the country is dotted with a variety of film societies. While both Dublin and Cork screen on 35mm, in general the film societies screen on VHS/DVD.

National support policy to art cinemas

There is no national subvention or tax shelter for cinemas.

In terms of national policies to support cinemas, much work must be done over the coming years to complete the recommendations identified in all the various reports which have been commissioned through the years. National agencies have spent much money identifying what is to be done.

Still, there is recent public money available for cinemas via the Cultural Cinema Consortium – a partnership between the Arts Council and the Irish Film Board which provides annual capital support to a number of cinemas and film societies. Funds from this area have been granted to the Kino Cinema in Cork, the Belltable Arts Centre in Limerick among others.

The Cultural Cinema Consortium was created in 2001 as a result of a report by the Arts Council (*Developing Cultural Cinema in Ireland*). Among its various objectives, the Consortium aims to foster an attractive investment environment for exhibiting art house cinema.

Exhibition/distribution is a small part of the current Irish Film Board policy. While their support for cinemas is limited to the Cultural Cinema Consortium they also provide prints and advertising support for distribution of Irish Film Board funded films in Ireland.

National incentive for cinema at school

There is not a national policy to incentivize relations between cinemas and schools, however work in this area is currently being explored via a Film Education Committee recently convened by the Arts Council. The purpose of the committee is to devise national strategies for Film Education – within the school and vocational contexts.

The Irish Film Institute currently organizes regular screenings for schools and film educationalists are on staff there.

Cinemobile also offers schools a range of curriculum bases titles which they currently watch on small screen format.

Information provided by Deirdre Quinn, Cinemobile, Galway - 2005

ITALY

National support policy to art cinemas

CINEMA d'ESSAI

The label "Sala d'Essai" is given to any theatre applying to the Ministry of Culture. Such cinemas commit to dedicate yearly at least 70% of their opening days to films qualified as "film d'essai" ("art movies" *), of which at least 35% of national or European origin. The counterpart is a subsidy variable according to the quality of the programming : in 2003, ~600 cinemas shared an overall amount of 2.5 M€; the amount raised to 3 M€ in 2004. Furthermore, art cinemas benefit of a tax credit of 7% on all incomes, while mainstream cinemas have only a 1% credit (raised to 3.5% on European films).

NB : in Italy, the list of art movies is defined by the Ministry of Culture, according to a few automatic criteria (movie supported by the Italian State or selected in great festivals... which leads to somewhat surprising titles in the list) and the officers personal opinion.

CENTO CITTA

A project launched in 2004 by Cinecittà Holding, "100 Cities" aims at promoting Italian & European quality cinema in 100 theatres located in cities beyond 150.000 inhabitants. These cinemas commit to dedicate at least 50% of their programming days to art films, and share 2.5 M€, i.e. 25.000 € each; the cities grew to 110 in 2005, receiving 23.000 € each.

INVESTMENT SUPPORT

The State can contribute to refurbishment or creation of cinemas, but this support is not differentiated according to being or not an art cinema.

REGIONAL SUPPORT

Each region has its own cinema support policy. Tuscany for example funds a total of 100 to 130.000 € per year to cinemas carrying out special projects with schools and university. In other regions, similar amounts are dedicated either to promotional material or circulation of special programming cycles.

National incentive for cinema at school

In Italy, a special branch of the AGIS (General Association of the Spectacle Industry) was set up to manage all co-operation with the educational world : as far as cinema is concerned, AGISCUOLA is in permanent contact with the Ministry of Education and each regional antenna to signal the movies adapted for educational purposes, and edit information documents on those movies.

As already stated above, there is pretty high attention on a regional level to promotion of cinema at school; funding follows a project-by-project basis, according to each region priority.

Information provided by Simone Gialdini, Cinema Centrale, Lucca, Italia. - 2005

LATVIA

Background

Latvia is one of the new European countries and neither film production nor exhibition has yet reached the level of the rest of Europe. Like all the other post-Soviet countries, Latvia turned over a new leaf in all the spheres of life 11 years ago – in 1991. The film industry experienced a very difficult period at the beginning of the times of independence, as there were more essential spheres of life the government had to support than the production and exhibition of films.

Significant aspects are the financial situation of the country and the economics of the population. Visits per capita is only 0,7 a year (2004). Generally films are released with one print only, and it can take months for a film to reach all cinemas. Of course video pirates take advantage of this situation making things even worse for the cinemas.

The cinemas are either privately run or owned by local municipalities. The first multiplex in Latvia - "Forum Cinemas" was opened on October of 2003 in the capital city Riga, and the smaller cinemas have very hard times now - many of them closed down.

Two film theatres in Latvia – Kinogalerija and Cinema Riga are members of Europa Cinemas with a support from Media Plus of ~ 15.000 € annually for European film exhibition.

Total population in Latvia : 2 306 600 of which 747 200 in the capital city Riga

Average film theatres ticket price (2004): 2,96 €

Average net monthly wages and salaries (2004): 213.00 €

Number of cinemas : 23, of which 1 multiplex.

National support policy to art cinemas

There is no special tax-shelter or support system for art cinemas.

Still, there are possibilities to apply for State money for filmmaking, distribution and exhibition, from :

- the National Film Center of Latvia (NFC) - a state financed organization under the Ministry of Culture overseeing the film branch in Latvia.
- the Culture Capital Foundation of Latvia (KKF) – financed by tax on alcohol, tobacco and gambling – which provides financial support for a balanced development of all creative arts, education and the preservation of cultural heritage.

In both cases, the financing is aloted on the basis of project quality, which is appraised by expert committees, composed of independent business professionals (not public officers).

Riga city council also gives grants for non–commercial, educational film events (forums, festivals, etc.), especially if these events take place in the municipal cinema “Riga”.

Information provided by Ilze Kusina, Cinema RIGA, Latvia - 2005

LITHUANIA

Background information

In the Soviet period all the cinema sector was under the State control. Film exhibition was a huge business : in the 60s there were over 1 700 mobile or stationary devices, most of which in rural districts. Over 40 M admissions per year, with an average of 15 visits per head.

When Lithuania regained its independence the State cinema & distribution network fell apart and the uncontrolled process of privatizing began : the screening points decreased 27 times in 13 years : 1664 in 1990, 61 in 2003. The film goers fell to 680.000 in 1995.

Private distributors brought films of poor quality. Films as a part of art have started disappearing out of people's mind.

Two multiplexes, located in the capital, collect approximately 80 % of the overall admissions in the country (Forum Cinemas Akropolis 8 screens, 1.636 seats, Coca Cola Plaza 12/ 2.000), and alienate the market in other cities. The number of cinemas is still decreasing.

There are very little alternative cinemas that show art cinema in Lithuania. Vilnius has two : 'Lietuva' and 'Skalvija'. On weekends in Kaunas (2nd largest city) art cinema, European and non-commercial films are shown in an art gallery. Klaipeda (3rd city of Lithuania) started some art cinema shows as well, just once a week.

National support policy to art cinemas

There is no State policy for film exhibition in Lithuania : the Ministry of Culture supports only single film festivals. Cinemas can theoretically be financed via projects, however only one cinema benefits from State funds.

The Cinema Law (05/03/02) authorizes the municipalities to finance cinemas : out of 33 cinemas, 2 are owned by the State, 23 by Municipalities and 8 are private.

Since 07/07/02 non-profit cinemas (27 out of 33) do not pay VAT.

National incentive for cinema at school

There is no special organized or planned cooperation between cinemas and schools on a national level: most cinemas develop their own relationships with schools and kindergarten.

The City of Vilnius funds (3.500 €) a special operation with the 2 art cinemas of the Cities during the 1st month of summer holidays : special screenings of selected films at very low price for summer school pupils and children with disabilities.

Public direct intervention in art cinemas

Today in most regions of Lithuania there are no cinemas and films are shown in municipality-owned Culture Centres, mostly at weekends.

The 'Skalvija' is run by the City of Vilnius. The show room is given for free, but financial aid is unsystematic and insufficient (20-30.000 € per year) to cover all charges.

Information provided by Sonata Zalneraviciute and Gené Punciskiene, Vilnius - 2005

MALTA

National support policy to art cinemas

The Malta Government does not have any kind of sponsorship or financial deal for cinemas. Like all entertainment we are charged 18% VAT. Our cinema is the only subsidized cinema in Malta in that it forms part of the Cavalier.

Cinemas are run on a purely commercial basis and government does not feel the need to support in any way. We do not have an indigenous film industry, although there have been one or two half-hearted attempts at making full length movies (on digital medium – not 35mm). These were not supported by government either. They also had difficulty finding an audience in cinemas (most preferred waiting for the bootleg copy on dvd !!).

Information provided by Christopher Gatt, St James Cavalier Centre For Creativity, Valetta, 2006

THE NETHERLANDS

Background information

In Holland, exhibition is split in 3 very different sectors : commercial cinemas, arthouses & filmtheaters :

Type	Number	Admissions	Share	Mainstream	Cross-over	Art movies
Commercial	108	21 m	85%	X	X	
Arthouse	15	2 m	8%		X	X
Filmtheaters	100	1.75 m	7%			X
Total	233 670 screens	24.75 m	100%			

The cultural sector (Arthouse & filmtheaters) therefore weighs 15% of the market. Festivals receive around 1m extra visits. All filmtheaters are subsidized, as well as most Arthouse. Film theatres are grouped within the *Associatie van Nederlandse Filmtheaters* (ANF) a movement created in 1984 by 5 cinemas in close partnership with Hubert Bals and the Rotterdam Film Festival, to give wider access to independent films usually shown only in festivals. They are now 100 and strongly supported by central, regional and local governments, as well as MEDIA (~20 cinemas).

National support policy to art cinemas

The filmtheaters and arthouses are rated as A, B and C theatres by the NVB (National society of Cinemas) and subsidized as such; A-cinemas are permanent ones with 2 screens or more, B-cinemas are permanent with just one screens, C-cinemas just make occasional or touring screenings, in small towns and rural areas.

The overall amount of public subsidies for exhibition and festivals is around 5 M€ of which 4 go directly to film theaters and Arthouse. The rest is for festivals and other initiatives.

Type	Cinemas	Screens	Admissions	Subsidies
A	19	49	1.250.000	3.000.000 €
B	16	16	300.000	500.000 €
C	65	65	200.000	500.000 €
Total	100	130	1.750.000	4.000.000 €

National incentive for cinema at school

There is no State-driven central subvention system in the area, but much is done.

A national institute called NIF (Dutch institute for filmeducation) develops and provides programmes for schools and cinemas. Also on regional level there are several providers of educational programs and intermediaries.

The best public investors are the cities local governments.

Information provided by Anke van Diejen, LUX Artplex, Nijmegen, the Netherlands - 2005

NORWAY

National support policy to art cinemas

The VAT on cinema tickets is 7% instead of 25%. This creates a favourable situation for cinemas since all VAT on purchases (25 %) can be deducted.

There is an extra governmental tax (2,5 %) on every cinema ticket and on every rental and retail DVD. This tax is placed in a fund administrated by the organization "Film & Kino" ("National Association of Municipal Cinemas"), which contributes to making Norwegian cinemas (both art & mainstream cinemas) competitive cultural enterprises and strengthening of professional and cultural level of the cinema, film and video sector. The fund received Nkr. 80,4m (€ 10,3m.) from the tax in 2005, of which approx. half is used for supporting various projects initiated by local cinemas - it may be contribution for technical investments, special marketing events or support to distributors in order to import "smaller" films.

National incentive for Cinema at school

Cinema for children is one of the areas of action of "Film & Kino". They make educational sheets for approximately 15 films every year, and support different school screening programs as *meet a filmmaker*, *make your own film*, etc. They also organize a national campaign to promote school screenings. All together they spend Nkr 1.2 mill. (€ 150 K) on the school screening program. They do also support import, distribution and launching of children films.

Beside this there is a national art program ("*Den kulturelle skolesekken*") that involves all schools (grades 1 -10), which will make sure that pupils will meet art and professional artists. This program addresses all art forms - music, dance, theatre, local cultural history, films etc – and differs tremendously from community to community : in some places it doesn't involve film at all.

Public direct intervention in cinemas

The Norwegian Cinema system is quite unique. In Norway, almost all commercial cinemas were owned by the government - at municipal level - for more than 80 years. We had a monopoly situation where the municipalities had the control. It's just ten years ago that some cities in Norway opened up for private cinemas, and still around 90% of Norwegian cinemas one way or another are run by cities.

The origin of this situation was that the municipals around 1910 wanted to gain control over the cinemas for moral reasons – to seize control over the programs presented – as well as financial reasons – to keep the profit cinemas provided in those days. And as long as cinemas provided a surplus, they kept control. When cinemas started to get red numbers in the beginning of the 80's, most cities still decided to keep the cinemas running even if it implied a cost instead of a profit, for the sake of the unquestionable positive effect for the citizens.

The result today is that almost every city in Norway have a cinema, even if most of them don't generate profit, and this is to be considered as a kind of public support.

Information provided by Ole Petter BAKKEN, Cinemateket USF Bergen – 2006

POLAND

Background information

Before 1989 all Polish cinemas were run by the State. Like others public-run firms under communist system their existence was not based on free market rules.

After 1989 these cinema existed quite successfully, although the whole business was not very well developed. The first Polish multiplex was opened in June 1996 ("Femina" in Warsaw : 4 screens). Multiplexes now hold around 80% of the market. Film access has become a veritable problem as many releases of cross-over movies hit multiplexes only.

National support policy to art cinemas

SIEĆ KIN STUDYJNYCH (NETWORK OF ART CINEMAS)

This system is absolutely new.

On July 1st, 2004 the Sieć Kin Studyjnych(www.kinastudyjne.pl) was founded by Film Polski–Agencję Promocji (the Polish Film – Promotion Agency) in order to help the ailing independent art cinema sector : this creation answered a request by the EC that the Polish government should help his cinemas prior to receiving European funds.

The SKS is a State-driven programme, opened to art cinemas fulfilling a certain number of criteria and then eligible for certain counterparts :

- Criteria for joining SKS :
 - minimum > 15.000 admissions p.y. (8.000 in cities below 50.000 inhabitants)
 - quality programming of which at least 50% European and 20% Polish
 - young audience programmes
 - participation to network actions
 - screening of SKS-struck prints
 - etc

- Benefits :
 - SKS can finance : film events, promotion material, prints, educational programmes
 - the funding cannot exceed 30% of total cost, raised to 50% for network events involving at least 5 cinemas
 - application is on a project-by-project basis (not yearly operation support) : it can be done at any time of the year, prior to the event
 - decisions are taken by Film Polski management after appraisal by SKS Committee of experts.

- Temporary results :
 - 53 cinemas have joined SKS
 - Total funding planned 1st year : 230.000 €

 - 40 events funded, 5 rejected (after 7 months)
 - 20 cinemas supported for educational events for a total of 15.000 €
 - 24 film prints were struck : distributors must then commit to release their movie in SKS art cinemas and not only multiplexes

National incentive for cinema at school

There is no national/regional policy to incentive relations between cinemas and schools, and public money is available only through one-shot application to SKS, no long-term funding.

Some (art) cinemas run educational programmes, which supposes a fierce competition with multiplexes who systematically organize school screenings of US blockbusters. It all relies on the work of the cinema workers and on the good will of the teachers. A big issue is the availability of cinema classics prints.

During a meeting of SKS members, it was planned to create a common association that could start institutional discussions with the Ministry of Education on the topic.

Public direct intervention in art cinemas

Throughout Poland some small cinemas (1-2 screens) are partly public-run for example in public cultural centers, but their financial status is critical : they often need to search non-public money (sponsors, help from foreign cultural institutes...).

The ILUZJON cinema in Warsaw is a totally public-run cinema, specialized in cinema classics, as a part of Filмотeka Narodowa (The National Film Library).

Information provided by Agnieszka Koperniak, Muranów Cinema, Warsaw, - 2005

SCOTLAND - Case study : Glasgow Film Theatre

National support policy to art cinemas

There is no structured art cinema supporting system as such, but the involvement of public bodies is undeniable. Art cinemas are few and well identified cultural partners of the institutions, City Councils and other public cultural entities.

GFT is a registered charity and non-profit organisation run by an unpaid board of directors. It receives core funding from three bodies which account for ~ 25% of its annual income :

- local : GLASGOW CITY COUNCIL grants 101.500 €, in partnership with Scottish Screen. The cinema also benefits from a 90% reduction in city taxes as a registered charity
- national : SCOTTISH SCREEN funds 157.885 € p.y. plus a further 21.747 € from the UK Film Council which is distributed through Scottish Screen. The general policy of SS for exhibition is detailed below.
- international : 15.000 € p.y. from EUROPA CINEMAS, dependent on meeting target levels of European film for general audiences and young audiences.

ADDITIONAL FUNDING

GFT can also access funding from the Scottish Executive, Scottish Arts Council, local authorities and lottery funds. This type of project funding is particularly important for education work :

- LOCAL AUTHORITY EDUCATION DEPARTMENT : ~50.000 € p.y. (not guaranteed for more than one year at a time) to organise Saturday morning screenings for young people, schools screenings and events.
- SCOTTISH ARTS COUNCIL, the public body for the arts in Scotland, which also has responsibility for national lottery funding for the arts. It has funds available for capital projects and audience development schemes. Examples :
 - in 1991 GFT received funding to develop the venue and build a second screen.
 - from 2002-04 the Arts Council funded an 18-month full-time post for a trainee from a BME (Black & Minority Ethnic) community.
 - In 2003-04 a part-time audience development post was funded with a remit to mainstream work for South Asian audiences.
- **BIG LOTTERY FUND** (lottery funding for community projects) : in 2003 GFT was awarded a grant of 140.654 € to create 12 CineClubs in Glasgow secondary schools. These CineClubs are filmmaking and watching clubs run by teachers for 11-16 year olds. This funding allows GFT to buy digital video equipment for schools, pay for teacher training and transport schools to the cinema. The project will run for three years until 2007.
- **SCOTTISH EXECUTIVE** and the **EUROPEAN SOCIAL FUND** : GFT received grants to produce an education pack that looks at the experience of refugees in Glasgow.
- Local authorities outside Glasgow have contributed to the production of education packs to support French language screenings for schools. These are given free to schools attending screenings during the UK French Film Festival.

SCOTTISH SCREEN EXHIBITION POLICY

Scottish Screen is the national body for the moving image in Scotland. Its investment in exhibition is expected to deliver not simply a screening programme, but a wide range of activities that address issues of cultural development, education and social inclusion. Scottish Screen has developed the following aims in this area:

- Ensure that the public in as many areas of Scotland as possible has access to programmes of mainstream cinema
- Develop programmes of screenings which feature a wider range of world cinema
- Develop programmes which enable audiences to appreciate and enjoy films more fully through informal educational and audience development activities
- Maintain and develop an infrastructure which will enable the public to sample and appreciate new areas of cinema, see examples from cinema history and reassess areas of mainstream and specialised cinema
- Showcase productions of relevance to Scotland

Scottish Screen's budgeted expenditure on the cinema exhibition sector in Scotland in 2004/05 is €700 519. There are two main funding streams: the majority is allocated to annual revenue grants to eight cultural cinemas across Scotland, the Edinburgh International Film Festival, the British Federation of Film Societies (Scotland), Screen Machine (mobile cinema for rural communities), the French Film Festival UK and the Discovery Young People's Festival.

In addition there is a small exhibition development fund of approximately €40 602 which is allocated to limited term projects, new initiatives and strategic consultancies.

In 2004/05 a new funding stream of €21 574 has been allocated from additional Scottish Executive subvention for a Rural Cinema Development Scheme. Most revenue funding is channeled through non-profit organizations.

Information provided by Jennifer Armitage, Glasgow Film Theatre, Glasgow, - 2005

SERBIA

National support policy to art cinemas

There is neither national policy concerning film exhibitors as a whole nor art cinemas as a specific group.

The only gesture to ease the situation is that the VAT on cinema tickets, as well as on all other cultural events, was reduced in July 2005 from 18% to 8%.

Almost all art cinemas exist within bigger systems/institutions, like multidisciplinary cultural centres, museums or similar state or city institutions and the potential support comes from the local government as a part of the budget for the institution as a whole.

The only art cinema supported permanently by the Ministry of Culture of the Republic of Serbia is the cinema hall of the Yugoslav Film Archive in Belgrade.

The National Film Centre as an arm-length institution of the Ministry of Culture of the Republic of Serbia distributes support for filmmaking upon a public open contest for the best film proposals, but has no funds for film exhibitors and distributors to foster good programming.

National incentive for cinema at school

No formal initiative identified.

Public direct intervention in art cinemas

Majority of art cinemas in Serbia are dependent on local government support and different cities fund their cinemas differently, according to each city council's objectives.

For example, the City of Belgrade partly supports/finances on an annual basis upon an open contest for the best project proposals in the following film domains:

- high quality non-commercial film events (film festivals/cycles, forums, etc. that have educational, innovative, informative dimension or high quality programmes. For example, the Belgrade Cultural Centre Art Cinema received for 2006 support for three high quality film cycles dedicated to Nordic panorama, Swiss and Sweden national cinematographies.)
- best scripts for short, documentary and animated films
- some (very rare) investments in art cinemas, like purchasing technical equipment or refurbishing cinema halls.

The financing is allocated on the basis of project quality and/or longer-term sustainability (of the investment) and is appraised by expert committees, composed of independent business professionals and public and cultural figures. Final decisions are made by the City Assembly officials in accordance to certain priorities in the annual city budget.

Information provided by Nebojsa Popovic, Belgrade Cultural Centre, 2006

SPAIN

National support policy to art cinemas

The Spanish situation is paradoxical as laws DO exist to support art cinemas but they are NO LONGER applied.

A Ministry Order dated January 12th, 1967 introduced the category of “Art-House” in the Spanish legislation. At the beginning, it was a concession limited to cinemas with a maximum capacity of 500 seats located in cities over 50.000 inhabitants, or for touristic areas.

The “Art-House” allowed to diffuse inedit works by authors such as Buñuel, Fellini, Antonioni, Polanski, Godard, Truffaut, Losey, Chabrol, Kurosawa, as well as some cinematographic movements as the “Nouvelle Vague”, the “Novo Cinema Brasileño”, the “Free Cinema”, etc.

Those were the years of maximum development on the Cinematographic movement among the Spanish audience.

Nevertheless, the greed of some exhibitors transformed little by little the “Art-Houses” into a decaffeinate formula where they left apart the artistic interests to promote films with a low quality or films with sexual content, which drove the programming to a cul-de-sac.

Thus, on the July 1st, 1971, a Resolution from the General Direction of Entertainment introduced a difference between the “Special Houses”, which screen films in original version as well, and the “Art-Houses”, which remained finally in a corner until this current moment, even though the 12/01/1967 Order is still in force.

National incentive for cinema at school

No central policy to incentive relations between cinema and schools.

Public direct intervention in art cinemas

The Filmoteca Nacional in Madrid has its own theater “Cine Doré”, totally supported by Ministry of Culture.

The Autonomic Madrid Community subsidizes the Cinestudio Bellas Artes that belongs to the Fine Arts Circle.

Ticket prices are extremely low (< 1.50 €) which creates a critical gap for private art cinemas who receive absolutely no public money.

Information provided by Marta Rañé, Cines Méliès, Barcelona and José Ramon Gago, Pequeño Cine Estudio, Madrid - 2005

SWEDEN

National support policy to art cinemas

On a national level, the Swedish Film Institute is co-financed by the national government and the film industry. This includes all cinemas that pay a special fee of 10% of general box office to finance part of the policies carried out by the Institute.

The means collected are mainly used in the production and marketing of Swedish films. However some support can be granted directly to cinemas situated in cities with less than 50.000 people. For those cinemas a direct support of 9€ per ticket sold to a Swedish film, and a grant of maximum 4500 € per year for technical upgrades are available. The 9€ per ticket sold to a Swedish film could theoretically be granted to art house cinemas in larger cities as well, but industry representatives in the board of the Swedish Film Institute successfully obstruct this policy.

To compensate for the Swedish Film Institute fee, VAT on cinema box office (and film rent from distributors) is only 6%. That could be compared to the 25% VAT on video film, both rental and for sale. This creates a favourable situation for cinemas since all VAT on purchases (25%) can be deducted.

National incentive for cinema at school

There are policies on three levels; national, regional and local.

The national policy is carried out by the SFI to support educational screenings :

1. By production of educational material used in schools in connection with film screenings.
2. By supplying films at subsidised rent.
3. By granting funding to local governments for educational screenings at a local level.
4. By supporting local initiatives, in particular teaching in connection with cinema and media.

The regional policies are varying but mainly consist of supporting and presenting educational projects in connection with film and media rather than specific screenings.

Local government organizations often carry out the actual arranging and subsidizing of screenings, bookings etc. in close cooperation with schools and cinemas.

Public direct intervention in art cinemas

Local and regional governments can give grants to cinemas. Some of the criteria are that the cinema is run by a non-profit organisation and has an art house profile with activities for small children and schools. The amounts vary and can also be granted to special events or film festivals. For example Cinema Zita receives 56.000 € from the City of Stockholm and 38.000 € from the Region of Stockholm annually. In addition to that the cinema hosts up to ten film events and festivals per year supported by local and regional government. The regional support is connected with a tuition programme for scholars and teachers at Cinema Zita with film and media analysis as its main part.

Some local governments also run their own cinemas, for example in libraries, mainly in smaller cities. In the countryside commonly the local cinema is non-profit and receives support. Therefore many older cinemas have survived despite loss of audience.

However in larger cities almost all cinemas are commercial and receive no public funding.

Information provided by Henrik Schmidt, Folkets Bio – Cinema Zita, Stockholm - 2005

SWITZERLAND

There's no real arthouse support policies in Switzerland right now. There was a Arthouse Prize until 2006 but as Switzerland joined the MEDIA program this isn't the case anymore. Public support is focused on Swiss film and co-productions. As everything is being discussed and restructured these days the following information might not be valid in a near future.

National support policy to art cinemas

The Swiss Office for Culture (OFC) helps the distribution and the screenings of Swiss films in cinemas through a distribution support. Distributors who regularly promote Swiss films in cinemas are allowed to take part in an OFC annual support program. This support gives financial help for Swiss films which reach 5.000 admissions for documentaries and 10.000 for feature films (previously 2500/5000).

From January 2007 onwards, cinemas who screen a broad selection of films but are nevertheless not reaching the MEDIA criteria, should be supported in order to encourage offer diversity. This support program substitutes the Arthouse Prize which prevails till today. (For example our cinema won 6 years in a row the first prize in the middle size cities category but we don't fill the criteria completely to apply for MEDIA.) As this new kind of support is discussed these days we don't know much more about it at the time.

"Succès Cinéma" is another support which is based on... success. Every screening of a swiss film gets a financial support based on a equation which takes into accounts admissions and the number of screenings. This helps convincing more and more cinemas to program swiss films.

National incentive for cinema at school

There's no real policy to incentive relations between cinemas and schools. Every cinema has to work on its own to manage to set up screenings for classes of all levels. The only national support is given to projects which are said to be of national interest (i.e Castelleniria festival or La Lanterne Magique).

Public direct intervention in art cinemas

Other Examples of Public Investment are mostly financial help which is given to the festivals (ie. Locarno, Soleure, Nyon, ...)

Information provided by Julien MOESCHLER, Cinéma ABC, La Chaux-de-Fonds - 2006

UNITED KINGDOM

National support policy to art cinemas

Whilst there is neither a national or regional subvention or tax-shelter system for cinema in the UK, there are alternative support systems in place. The UK Film Council (UKFC), established in 2000, is the national agency for film ensuring that the economic, cultural and educational aspects of film are effectively represented in the UK and abroad. The UKFC invests money from the Government's Department of Culture, Media and Sport (DCMS) and the National Lottery in all sectors of the UK film industry, including exhibition.

UKFC schemes beneficial to cinemas in particular include the Regional Investment Fund for England (RIFE). Via RIFE, £7.5 million is awarded annually to Regional Screen Agencies (RSAs) across England. RSAs provide financial support for production, screen commissions, cinema exhibition, training, archives and education within a specified region (see map).

Funding for cinemas from RSAs is available through an Audience Development Fund and certain conditions must be met. Film London (www.filmlondon.org.uk) awards funding to projects that: 'bring new audiences to film'; 'educate London audiences and develop a deeper understanding of cinema' and 'increase the range of cinema available to London audiences'. Cinemas that operate within the North West region of England (Cheshire, Cumbria, Greater Manchester, Lancashire and Merseyside) can apply to North West Vision's (www.northwestvision.co.uk), Heritage, Access to Film and Audience Development Fund (HAFAD) but must be able to secure 30% of match funding. According to the UKFC's head of monitoring 39 cinemas received Audience Development funding via RSAs and the UKFC in 2004-5 in comparison to 91 festivals.

Other UKFC initiatives directly beneficial to cinemas include the Digital Screen Network (DSN), 'a lottery funded grants programme to support a network of digital cinema screens across the UK, dedicated to the exhibition of specialised films'. Approximately 89 independent cinemas have been awarded digital projectors. Certain stipulations were made in the application guidelines, most notably, that only full time cinemas were eligible.

National incentive for cinema at school

There isn't a formal policy to promote relations between cinemas and schools in the UK. The BFI, on behalf of the UKFC are currently undertaking an education review, scheduled to finish in Spring 2007. This review have been commissioned to evaluate how existing resources are managed, for example, through RIFE funding, RSAs are obliged to provide funding support for education.

Other organisations such as Film Education, funded by the BFI and the UKFC, provide media education resources and training for schools. They organise National Schools Film Week (www.nsfw.org) annually, a week of free screenings in cinemas for schools.

Public direct intervention in art cinemas

Cinemas across England receive support from local authorities in a range of ways. Some venues are run by local authorities, some receive substantial grants and some receive in kind support. For example, the Empire cinema in Consett, was bought and reopened by Consett Urban District Council following the closure of the last cinema in the town. The Metro Cinema in Derby is a registered charity and, in addition to national support, is supported by Derby City Council and East Midlands Arts (the East Midlands region of the Arts Council, www.artscouncil.org.uk). Of the 20 cinemas the Independent Cinema Office supports via programming services, the vast majority receive local authority support in one way or another.

Information provided by Anna KIME, Independent Cinema Office, London, UK - 2006

SYNOPTIC SUMMARY

	Special tax regulations for cinemas	Structured support system for cinemas	Occasional support to art cinemas	National cinema & school programs	Public direct involvement in running / subsidizing cinemas
Belgium (Fr)	VAT 6% instead of 21%	yes : 9 cinemas share 600.000 €	Yes : investment grants	Yes, "Ecran large sur tableau noir" subsidized by state	Yes : free municipal buildings
Bulgaria	no	no	no	no	no
Cyprus	no	no	Yes, possible to apply for subsidies	no	Some cities may fund projects
Denmark	no	Yes : 10-20 cinemas share ~300-400 k€ (max : 41.250 €)	Yes, for renovation, ~20 cinemas ~300k€ (up to 1/3 of cost if local govt matches 1/3)	Yes, on precise projects. 10-15 projects p.y. for a total of 3-400 k€	Yes, local govts own cinemas and / or support projects, crisis grants, etc.
Estonia	no	no	Yes : investment grants	no	rural cultural centres
Finlande	VAT 8% instead of 22%	yes : 69 out of 220 cinemas maximum 5.000 €	no	Yes, KOULUKINO	10 Regional Film Centers + small public rural cinemas
France	VAT 5,5% instead of 19,8% Special tax on cinema 11%	yes : 1,000 out of 2,300 cinemas - average 11.000 € up to 75,000 €	Yes : investment grants up to 40% of cost	Yes, 7M€ for 2M admissions in schools	Municipal cinemas Multiplex regulation Mediator "referee" ADRC : prints for small cities etc.
Germany	VAT 7% instead of 16% Special tax on cinema 2,5%	yes national AND regional - up to 30,000 €	Yes : investment zero-interest loans	Yes VISION KINO, agency founded 2004	Municipal cinemas FFA & BKM : prints for small cities etc.
Hungary	no	yes : 1 M€ shared by 30 cinemas	Yes : investment grants up to 65% of costs	no info	Most art cinemas are run by cities
Ireland	no	no	yes : Cultural Cinema Consortium	No policy yet but Film Education Committee exists	Irish Film Institute runs an artcinema in Dublin
Italy	7% tax credit for art cinemas	yes : Premio d'essai (5,000 € avg) + "100 città" for small cities (23,000 € each)	yes : preferential loans for investment	yes : AGISCUOLA	Few city cinemas. Active regional policies also.
Latvia	no	no	yes : project funding by NFC, KKF and ity of Riga	no	Most art cinemas run by cities
Lithuania	Non-profit cinemas don't pay VAT	no	very rare	no but City of Vilnius gives small grants	out of 33 cinemas : 2 run by theState, 23 by cities
Malta	no	no	Only to the Cavalier art cinema	no	no

	Special tax regulations for cinemas	Structured support system for cinemas	Occasional support to art cinemas	National cinema & school programs	Public direct involvement in running / subsidizing cinemas
Netherlands	reduced VAT	yes : 100 cinemas out of 240 4 M€ overall	no info	yes : NIF (Dutch Institute for Filmeducation)	no info
Norway	VAT 7% instead of 25% Special tax on cinema <u>AND DVD</u> 2,5%	Yes : 5 M€ distributed for investment, events, distribution	Yes	Yes : 150.000 € for educational documents, programmes, etc	Yes : 90% of cinemas run by cities
Poland	no info	no structured system (SKS just starting)	SKS, started 07/04, 230,000 € given on a project-basis	only thru SKS supported projects	Small municipal cinemas + National cinematheque art cinema
Scotland	no	no structured system	Scottish Screen funds 8 art cinemas on a year-project basis	yes, developed by Scottish Screen and backed by various bodies	Strong involvement of City Councils, Arts Council, Lottery Funds, etc.
Serbia	VAT 8% instead of 18%	no structured system	Only to the Yugoslavian Film Archive	no	Vast majority of art cinemas are run by cities
Spain	no	no	no	no	few municipal cinemas + National cinematheque art cinema
Sweden	VAT 5,5% instead of 25% Special tax on cinema 10%	yes, but limited to support Swedish films in small cities	Yes : investment grants up to 4,500€	yes, national, regional and local level	strong involvement of Regions & Cities + small municipal cinemas
Switzerland	no	Yes : "Arthouse Prize", based on quality of programmes but will change since CH joined MEDIA in 2006	no	Limited to national projects such as "Magic Lantern"	Limited to support to Festivals
UK	no	Yes, but not based on a "national scheme" but several alternative programs by the UKFC :	- Regional Screen Agencies fund audience dvt projects - Digital Screen Network finances digital projectors ...	No formal policy but : - RSA has to fund cinema education projects - Film Education (funded UKFC / BFI) provides educ. Resources, organizes national events	Yes : direct management, grants, in-kind support, etc. from local authorities.

INTERNATIONAL CONFEDERATION OF ART CINEMAS - CICAIE

History

The CICAIE was founded in 1955 by the national arthouse cinema associations of Germany, France, the Netherlands and Switzerland. The collective and concerted action of these pioneers led to the emergence in each country of a real market for quality films, as well as national schemes aimed at supporting theatres that took a stand in favour of this "high-risk" cinematographic art form.

The CICAIE is recognized by the Council of Europe, sits on the Bureau of the International Council for Cinema, Television and Audiovisual communication (IFTC – Unesco), and of Media Salles, and has been a member of the Coalition for Cultural Diversity since its inception in 2003. It collaborates with Europa Cinemas, receives support from UNESCO, the European Union's programmes : MEDIA and Euromed Audiovisual II, the CNC (France), the FFA (Germany), the DGC (Italy), to name but a few.

Mission : to be a network of networks, and a bridge between festivals and theatres

Today, the CICAIE brings together 3,000 screens via 7 national structures (1,000 cinemas in France, Italy 2,400, Germany 300, Switzerland 90, Hungary 40, Belgium 15, Mexico 10), a few dozen independent cinemas in approximately 15 other countries, 20 or so festivals, as well as a number of arthouse film distributors.

Institutional objectives

- To encourage arthouse cinemas to come together under a common umbrella at the national and international levels.
- To obtain support for arthouse cinema from government and supranational bodies.
- To foster the distribution of high quality films from all countries, in all countries.
- Through targeted cultural initiatives, to promote the screening of art films in order to increase audiences and foster production.

Field action

- Training of future managers / programmers of art cinema theatres, in Europe and elsewhere (2004 – 2006 : over 200 professionals trained)
- Promotion of artfilms from festivals to art cinemas : each year the CICAIE awards "Art Cinema Cicae – Cinediversity Prizes" in a dozen festivals.

The arthouse cinema sector: a 100-million-strong audience in Europe

In countries where the art cinema sector is well developed, arthouse films account for 10 to 25 percent of all tickets sold. Art cinema upholds "quality cinema without borders", although, de facto, the bulk is made up of European productions and co-productions. Statistics show that in several countries arthouse cinemas draw up to 80 percent of audiences for quality European films; they are also the most appropriate setting where moviegoers can discover African, Arab, Asian, Latin American and "independent" films from the USA.

Thus arthouse cinema sector is well and truly (also) a market, which provides quality filmmaking with its main outlets in the largest markets.



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