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P8\_TA(2015)0108

## European film in the digital era

**European Parliament resolution of 28 April 2015 on European film in the digital era (2014/2148(INI))**

(2016/C 346/02)

*The European Parliament,*

- having regard to Article 167 of the Treaty on the Functioning of the European Union,
- having regard to the Convention on the Protection and Promotion of the Diversity of Cultural Expressions adopted by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) on 20 October 2005,
- having regard to Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive) <sup>(1)</sup>,
- having regard to Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society <sup>(2)</sup>,
- having regard to Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020) and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC <sup>(3)</sup>,
- having regard to the Council conclusions of 25 November 2014 on European audiovisual policy in the digital era <sup>(4)</sup>,
- having regard to the Commission communication of 3 March 2010 entitled 'Europe 2020: A strategy for smart, sustainable and inclusive growth' (COM(2010)2020),
- having regard to the Commission communication of 26 August 2010 entitled 'A Digital Agenda for Europe' (COM(2010)0245),
- having regard to the First Report from the Commission of 4 May 2012 on the application of Directive 2010/13/EU 'Audiovisual Media Service Directive' — Audiovisual Media Services and Connected Devices: Past and Future Perspectives (COM(2012)0203),
- having regard to the First Report from the Commission of 24 September 2012 on the application of Articles 13, 16 and 17 of Directive 2010/13/EU for the period 2009-2010 — Promotion of European works in EU scheduled and on-demand audiovisual media services (COM(2012)0522),
- having regard to the third Commission report of 7 December 2012 entitled 'On the challenges for European film heritage from the analogue and the digital era' (SWD(2012)0431) concerning the implementation of Recommendation 2005/865/EC of the European Parliament and of the Council of 16 November 2005 on Film Heritage and the Competitiveness of Related Industrial Activities,
- having regard to the Commission communication of 18 December 2012 on content in the Digital Single Market (COM(2012)0789),

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<sup>(1)</sup> OJ L 95, 15.4.2010, p. 1.

<sup>(2)</sup> OJ L 167, 22.6.2001, p. 10.

<sup>(3)</sup> OJ L 347, 20.12.2013, p. 221.

<sup>(4)</sup> OJ C 433, 3.12.2014, p. 2.

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- having regard to the Commission Green Paper of 24 April 2013 on ‘Preparing for a Fully Converged Audiovisual World: Growth, Creation and Values’ (COM(2013)0231),
  - having regard to the Commission communication of 15 November 2013 on State aid for films and other audiovisual works <sup>(1)</sup>,
  - having regard to the Commission communication of 15 May 2014 entitled ‘European film in the digital era — Bridging cultural diversity and competitiveness’ (COM(2014)0272),
  - having regard to the opinion of the Committee of the Regions of 4 December 2014 on ‘European film in the digital era’,
  - having regard to its resolution of 16 November 2011 on European cinema in the digital era <sup>(2)</sup>,
  - having regard to its resolution of 11 September 2012 on the online distribution of audiovisual works in the European Union <sup>(3)</sup>,
  - having regard to its resolution of 22 May 2013 on the implementation of the audiovisual media services directive <sup>(4)</sup>,
  - having regard to its resolution of 12 March 2014 on preparing for a fully converged audiovisual world <sup>(5)</sup>,
  - having regard to Rule 52 of its Rules of Procedure,
  - having regard to the report of the Committee on Culture and Education (A8-0123/2015),
- A. whereas films are goods that are both cultural and economic and contribute greatly to the European economy in terms of growth and employment whilst helping shape European identities by reflecting cultural and linguistic diversity, promoting European cultures across borders and facilitating cultural exchange and mutual understanding among citizens, as well as contributing to the formation and development of critical thinking;
- B. whereas the potential of the cultural and creative sectors in Europe and in particular of the European film industry is yet to be fully exploited in the promotion of European cultural diversity and heritage and the creation of sustainable growth and jobs that in turn can also benefit other sectors of the economy, providing Europe with a competitive advantage at a global level;
- C. whereas the European film industry is one of the world's largest producers, with 1 500 films released in 2014, but is characterised by a heterogeneous structure in terms of both funding and type of production;
- D. whereas European films are characterised by their quality, originality and diversity, but suffer from limited promotion and distribution across the Union, and this is reflected in the comparatively low audience levels achieved while facing intense international competition and difficulties in being distributed both within and outside Europe;
- E. whereas the circulation of European non-national films in Member States remains weak despite the large number of films produced each year, while non-European productions are widely distributed within the Union;
- F. whereas the diversity of European films reflecting the richness and strength of Europe's cultural and linguistic diversity means that the European film market is naturally fragmented;
- G. whereas promoting quality film production is particularly important for smaller Member States whose languages have a small number of speakers;

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<sup>(1)</sup> OJ C 332, 15.11.2013, p. 1.

<sup>(2)</sup> OJ C 153 E, 31.5.2013, p. 102.

<sup>(3)</sup> OJ C 353 E, 3.12.2013, p. 64.

<sup>(4)</sup> Texts adopted, P7\_TA(2013)0215.

<sup>(5)</sup> Texts adopted, P7\_TA(2014)0232.

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- H. whereas the Creative Europe MEDIA sub-programme (hereinafter MEDIA) offers new sources of funding and opportunities for the distribution and circulation of European non-national films and for developing audiences and supporting media literacy;
- I. whereas one of the key goals of the Digital Single Market should be to build trust and confidence in the internet and increase access to legal audiovisual content, thus contributing to investment in European films;
- J. whereas cinematic screening, as the first release window, continues to account for a large proportion of film revenue and is therefore essential to the financing of European film production and distribution, with a considerable impact on the success of the films concerned in subsequent release windows;
- K. whereas, however, an increasing number of European films with a modest production and promotion budget would benefit from more flexible release strategies and earlier availability in VOD services;
- L. whereas a better organisation of the release windows would maximise the potential audience, while making the unauthorised consumption of films less attractive;
- M. whereas Article 13.1 of the Audiovisual Media Services Directive (AVMSD) obliges Member States to ensure that on-demand service providers promote European works; whereas this provision has been implemented in a diverse manner with different levels of legal requirements and has led to providers establishing themselves in those Member States with the lowest requirements;
- N. whereas most public funding for the European film industry, from both national and Union sources, is dedicated to film production;
- O. whereas Article 14 of Regulation (EU) No 1295/2013 establishing the Creative Europe programme states that the Commission shall establish a 'Guarantee Facility targeting the cultural and creative sectors' with the aim of facilitating access to financing for SMEs in the cultural and creative sectors and enabling participating financial intermediaries to assess more effectively the risks associated with projects for which SMEs are seeking loans and financing;
- P. whereas in its third report of 7 December 2012 on the challenges for European film heritage from the analogue and the digital era the Commission pointed out that only 1,5 % of the European film heritage has been digitised; whereas this percentage remains the same today, despite reiterated concerns that much of that heritage may be lost forever to future generations, as evidenced, for example, by the fact that only 10 % of silent films have been preserved;
- Q. whereas digitisation and media convergence create new opportunities for distributing and promoting European films cross-border, as well as greater potential for innovation and flexibility, whilst causing significant changes in viewers' behaviours and expectations;
- R. whereas it is essential to guarantee funding for the digitisation, preservation and online availability of film heritage and related materials and to establish European standards on preservation of digital films;
- S. whereas media literacy, and in particular film literacy, can empower citizens to develop critical thinking and understanding and can stimulate their own creativity and capacity of expression;
- T. whereas copyright in the digital era should continue to stimulate investment in film production and creation and ensure an appropriate remuneration for rightholders, whilst encouraging the development of new services and cross-border access for citizens and enabling the cultural and creative industries to continue contributing to growth and job creation;

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U. whereas it is important to ensure the effective implementation of Directive 2012/28/EU on certain uses of orphan works and to make films included in the definition of orphan works publicly accessible;

***Promotion, cross-border distribution and accessibility***

1. Encourages the European film industry to pursue the development of innovative services, new business models and distribution channels to improve the cross-border availability of European films in the Union and, beyond that, to allow viewers across the Union to have access to an ever greater range of films across a growing number of platforms; suggests in this regard that the European film industry draw lessons from best commercial practises outside the EU;
2. Recognises the impact of unauthorised use of creative works on the creative cycle and rights of creators; stresses the need for greater legal offers of high quality, and for awareness-raising among young people;
3. Suggests that the development of cross-border portability of audiovisual services, taking account of the rapid growth of VOD and online transactions across the Union, could be further explored as this would enable viewers to access films regardless of where they are;
4. Underlines the importance of targeted marketing across the Union that takes into account the cultural specificities of European audiences with a view to ensuring better and more efficient promotion of European films;
5. Urges accordingly greater availability of subtitled films in order to boost the cross-border circulation of European films, increase awareness of Europe's cultural and linguistic diversity amongst viewers, and improve mutual understanding;
6. Notes in particular the role played by MEDIA in supporting subtitling and dubbing to increase availability of European films, notably in original versions with subtitles which facilitate their circulation and improve knowledge and understanding of European cultures and languages;
7. Underlines the importance of the recently adopted preparatory action 'Crowdsourcing subtitling to increase the circulation of European works' and the work to be done by the Commission in implementing this action;
8. Supports, furthermore, initiatives such as the Commission's pilot project 'Fostering European integration through culture', aimed at reinforcing the provision of subtitled European films by providing new subtitled versions of selected TV programmes across all Europe;
9. Reiterates the fundamental importance of further improving accessibility to films for disabled people, particularly through audio description and subtitling;
10. Stresses the particular significance of private and public European television stations in film production, both for television and for cinema co-productions, and underlines the role they can play in securing the future of numerous film production companies in the EU, primarily small and medium-sized ones;
11. Recalls the role of the EP LUX Prize, which has gained increasing recognition over the years, in promoting European films by translating subtitles for the winning film into all 24 official Union languages and thus ensuring greater visibility, awareness and availability for European films; invites the national parliaments to further promote the LUX Prize in the Member States in cooperation with the Information Offices of the European Parliament;
12. Suggests that there is a need to promote and support European co-productions and that an increase in such productions may result in the wider distribution of European films all across Europe;
13. Highlights, in addition, the growing success of high-quality European TV series and the strategic importance of further encouraging the production, distribution and promotion of such series on the European and global markets;

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14. Calls on the Member States to support and promote special events, such as film festivals and touring cinema initiatives, in order to encourage and support the dissemination and circulation of European films in their territory;

15. Suggests strengthening existing measures for better optimisation of the price of cinema tickets, development of innovative promotions, and subscription offers that would help ensure the attractiveness of, and access of all to, cinemas;

#### ***Audience development***

16. Encourages distributors and cinema exhibitors to increase the visibility and availability of non-national European films in order to reach wider audiences;

17. Recognises that cinemas are still the most significant locations for presenting and promoting films, as well as being places with an important social dimension where people meet and exchange views; stresses that the disappearance of small and independent cinemas, in particular in small towns and less-developed regions, is limiting access to European cultural resources, heritage and dialogue; in this context, calls on the Commission and the Member States to provide support to equip all screens with digital projection and sound technology in order to preserve such cinemas;

18. Stresses the importance of promoting films at an early stage of production, in order to improve circulation and ensure greater awareness amongst potential audiences across Europe;

19. Stresses the importance of MEDIA in testing innovative approaches in audience development, in particular through supporting festivals, film literacy initiatives and audience development actions;

#### ***Level playing field***

20. Recalls that Article 13.1 of the Audiovisual Media Services Directive (AVMSD) obliges Member States to ensure that on-demand service providers promote European works; stresses that this provision has been implemented in an uneven manner with different levels of legal requirements, and that this could result in providers establishing themselves in Member States with the lowest requirements;

21. Believes that all those who benefit economically from European cinematographic works, even if indirectly, through direct provision, marketing or dissemination, including links or provision by means of video-on-demand, should contribute financially to the making of European films; calls on the Commission to make this the guiding principle, even when investigating Member States' film funding systems from competition perspectives;

22. Calls on the Commission to take the above into account when proposing a review of the current legal framework, in order to ensure a level playing field on the European audiovisual market with fair and equal conditions for all providers;

23. Calls on VOD and SVOD platforms to make publicly available data on the consumption of each film in their catalogue, so as to ensure a proper assessment of their impact;

#### ***Funding***

24. Considers that in order to improve the circulation of European films on both European and international markets, public funding for production and distribution needs to be better balanced with a view to increasing support for development, promotion and international distribution;

25. Considers it necessary to increase funding in real terms for film distribution, promotion and marketing without this being at the expense of funding for production;

26. Calls on Member States in particular to increase public funding in order to support at an early stage the distribution and promotion of national films abroad, as well as of non-national European films;

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27. Calls on the Member States to promote incentives to facilitate the production, distribution, availability and attractiveness of European films; takes the view that applying the same reduced VAT rates to cultural audiovisual works whether sold online or offline stimulates the growth of new services and platforms;

28. Highlights the role to be played by Creative Europe's Cultural and Creative Sectors Guarantee Facility, in terms of facilitating access to finance for SMEs in the cultural and creative sectors and encouraging more investment from financial intermediaries, thus increasing funding opportunities for the film industry;

29. Suggests evaluating the effectiveness and efficiency of European and national film funding systems, paying particular attention to the quality and scope of films receiving funding, whilst also considering the availability and effectiveness of funding instruments for marketing and audience development; calls on the Commission to inform other Member States of examples of best practice which emerge from the results;

30. Recalls that film production and co-production call for substantial financial investment, and that the current legal framework does not prevent multi-territorial licencing, therefore stresses that the diversity of production and distribution schemes should continue to apply in order to encourage investment in European films, so as to respond to the linguistically and culturally diverse European market and safeguard and promote cultural diversity;

31. Stresses that European films receive funding from a large number of European, national and regional public funds, and that greater complementarity in the use of these funds should be encouraged in order to make them more effective;

#### ***European Film Forum***

32. Welcomes the Commission's initiative to establish a European Film Forum, in order to facilitate a structured dialogue with all stakeholders in the audiovisual sector on the challenges currently faced by the sector in the digital era, in order to improve cooperation, aggregation of information and exchange of best practices;

33. Calls in that respect for a broad participation and cooperation among all institutions concerned, in particular with the European Parliament;

#### ***Media literacy***

34. Calls on the Member States to reinforce their efforts to improve media literacy, and in particular film literacy, in school curricula and institutions of cultural education, and to develop initiatives at national, regional or local level covering all levels of formal, informal and non-formal education and training;

35. Is aware of the special significance of cinemas for film and media literacy as cross-generational places of learning, and welcomes any measures which promote this function of cinemas in a targeted way;

36. Draws attention to the promotion of educational films for young people, and supports competitions in which they are encouraged to create audiovisual works; also underlines the possibilities offered by MEDIA in supporting film literacy projects;

#### ***Innovation***

37. Supports innovative projects and practices such as the Commission's preparatory action on the circulation of European films in the digital era, designed to test a more flexible release of films across media in several Member States, and welcomes the integration of this action in the Creative Europe programme;

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38. Considers that such initiatives, by making release windows more flexible, could benefit certain types of European films in terms of visibility, reaching audiences, revenue and savings on costs, and encourages the Commission and the Member States to give those initiatives further consideration;

***Digitisation and archiving***

39. Calls on Member States to ensure the digitisation of cinematographic works and to set up compulsory deposit mechanisms for digital formats or to adapt their existing mechanisms to such formats by requesting the deposit of an international standard digital master for digital films;

40. Emphasises the importance of audiovisual archives, especially those of film heritage institutions and public service broadcasters, and urges the Member States to guarantee an appropriate level of funding and rights clearance schemes in order to facilitate the fulfilment of their public interest missions, including preservation, digitisation and making film heritage available to the public;

41. Highlights the important role of the European digital library EUROPEANA as a digital library for the European audiovisual heritage (both film and television);

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42. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.

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