# WP2

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| | distribution, exhibition, policies) perceive, have experienced, and reflect on key changes of the industry over the past three decades. |
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# CONTENT

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# 1. PROJECT DESCRIPTION

This report is part of the European Horizon 2020 REBOOT project (Reviving, Boosting, Optimising, and Transforming European Film Competitiveness), which focuses on the European audiovisual sector and its film industry. The REBOOT project aims to connect their strengths, identify and overcome weaknesses, and plan for future competitiveness in the fields of policy, practices and experiences. More concretely, the project's objectives include an exploration of the long-standing strengths and pervasive gaps in European audiovisual competitiveness and policies for competitiveness—such as ways of 'measuring', 'analysing' and 'evaluating' the impact of policies and strategic pathways. The project aspires to focus attention on actively preparing for the future by exploring audience preferences and how these are generated, as well as modes of film content production.

The latter are elements that today's youth will carry and engage with in the coming decades as makers and consumers, as well as industry and policy leaders. The project therefore interrogates the 'what is', but also the 'what has been' and 'what will be' through fresh lenses. REBOOT aims to provide a holistic overview of the European film industry, focusing on maximising its existing strengths while developing strategies and tactics to optimise the potential of European youth audiences, both as emerging viewers and as engaged citizens. Specifically, the project's goals combine several dimensions which reinforce each other but are listed separately (and in no particular order) for analytical purposes: a) increasing support intended to increase young people's engagement with European film; b) strengthening the position of the European Union (EU) in the global audiovisual economy, particularly in light of the rise of video-on-demand; c) supporting cultural diversity in the EU film industry; d) addressing the need for a different understanding of competitiveness and relevant indicators in this context; and e) recognising and supporting the importance for the EU of film and, more broadly, of the cultural and creative sector as a geopolitical asset.

## 2. EXECUTIVE SUMMARY

**Aim**

This report is part of the H2020 REBOOT project, which examines various issues related to the strengths, weaknesses, and competitiveness of the European audiovisual sector and its film industry. Unlike many of the other reports and deliverables produced within the REBOOT project, this report has a distinct historical dimension. The aim of this historical research undertaking was to understand how senior representatives from different sub-sectors of the European film industry (EFI) perceive, have experienced, and reflect on key changes in the EFI over the past three decades. These changes include digitisation and related technological transformations, shifts in film, audiovisual, and cultural policies, and alterations in the strategies and practices of creating, producing, distributing, exhibiting, and consuming (European) films. By focusing on the rich experiences and testimonies of key stakeholders, the authors of this report aim to contribute to the understanding of recent changes in Europe's film and audiovisual ecology.

**Methodology**

For this historical research task, teams from Belgium (Ghent University, CIMS) and Spain (Complutense University of Madrid, UCM) conducted interviews with 68 professionals in the EFI. The interviewees were senior key representatives from the film production, distribution, and exhibition sectors, as well as stakeholders from national and pan-European trade associations, interest groups, and policy institutions. Other participants included representatives from film-related organisations such as film offices, festivals, broadcasters, as well as critics, independent researchers, and academic researchers. We used semi-structured interviews, conducted primarily between October 2023 and April 2024, to explore a range of topics, including technological changes, shifts in film policy, and changes in production, distribution, and exhibition. Additional topics covered issues related to audiences, competitiveness, sustainability, and inclusion. The majority of these interviews were conducted individually and in person. In total, almost one hundred hours of interviews were recorded, transcribed and systematically analysed using interview analysis software such as NVivo. The result of this intensive series of semi-structured, in-depth interviews is a substantial collection of testimonies that provide an insightful yet diverse account of the structural transformations and perceived changes in the EFI.

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**Report inspiration**

From this rich set of interviews, the authors seek to consolidate the most salient recurring changes, tensions, and paradoxes in the recent history of the EFI. These are complex, seemingly contradictory trends, which often reveal a deeper understanding of what is at stake for the industry. In doing so, we drew inspiration from the Göteborg Film Festival's *Nostradamus Report* series. While this highly regarded series takes a forward-looking perspective—focusing on future trends rather than reflecting on past changes—its method of structuring and presenting the key findings of the interviews inspired us on how we reported on our interviews with key industry witnesses. To illustrate how senior professionals conceptualised changes, tensions, and paradoxes within the recent history of the EFI, we aim to amplify their perspectives by prominently featuring quotes from their testimonies and interweaving these into our narrative.

**Structure, priorities, and limits of the report**

Following the Introduction (Chapter 3), this report delves into the most recurring findings, summarising the senior professionals' testimonies on issues related to changes in production (Chapter 4), distribution (Chapter 5), exhibition (Chapter 6), and policy (Chapter 7). In terms of the report's temporal and spatial confines, it is important to acknowledge the specific characteristics of using in-depth semi-structured interviews and memories as a research method. While we aimed to focus on changes since the early 1990s, many senior experts reflected on the beginning of their personal careers, with some accounts reaching back to the 1960s. At the same time, many interviewees used examples of more recent changes—such as the impact of streaming platforms—to contextualise and reflect upon earlier industry conditions. A similar observation applies to the porosity of spatial boundaries. Although we conducted a substantial number of in-depth interviews with senior professionals across Europe, this historical research project does not claim to provide pan-European representativeness. Instead, for this report, we chose to prioritise testimonies on historical shifts in the film and audiovisual industries across three types of territories: one focused on a regional level (the Belgian region of Flanders), another centred on a major national film industry (Spain), and a third addressing pan-European trends. Although with regard to the latter, most interviewees had clear opinions upon changes in the EFI, this report will focus on the perspectives shared by representatives of pan-European trade associations, interest groups, and policy institutions.

**Production**

The first section of the analysis focuses on testimonies regarding changes in European film production. It provides a general narrative arc around a set of topics (technological development, market fragmentation, increasing importance of private broadcasters, etc.), before settling on a group of four paradoxes that shaped the transformation (overproduction, market concentration, the impact of streaming platforms, and the redefinition of the producer's role).

Interviewees highlighted the emergence of digital technologies in the 1990s and their profound effects on film production—a process generally perceived as positive, particularly in terms of technical innovation, cost reduction, and time efficiency. Market diversity and fragmentation appear as a second major topic. This reflects not only the multitude of smaller and medium-sized markets within the EFI—closely tied to Europe's cultural and linguistic diversity—but also the influence of policy initiatives that prioritise local, regional, and national markets. This structural fragmentation has resulted in a heavy reliance on state support and continues to hinder the EFI's ability to compete effectively on a global scale.

A third and related topic concerning shifting market dynamics involves the growing role of private broadcasters—beginning in the late 1980s in Flanders and the early 1990s in Spain—and the increasing influence of internet service providers around the turn of the century. In retrospect, this trend was generally perceived positively, as it contributed to the production of more commercially-oriented and audience-friendly local titles. From a historical perspective, these general trends were especially affected by the arrival of global VOD providers in the EU-market, which became particularly prominent after 2015 and accelerated during the COVID-19 pandemic. Their impact was viewed as relevant across multiple areas; for many interviewees, streaming platforms are crucial to understanding the current industrial framework.

The first and most relevant paradox, as it affects every area of the EFI, is overproduction. Discussions on this matter focused more on understanding the causes and implications of overproduction from a technological and policy perspective, rather than on suggestions for controlling production volumes. Nevertheless, the issue is regarded as a significant weakness, particularly in relation to European cinema's lack of competitiveness. The complexity of the issue revealed itself as certain groups (for instance, smaller, independent producers) tend to be more nuanced in their evaluation of the situation.

Elaborating on the issue of power dynamics within this shifting market, interviewees frequently addressed the enduring dominance of Hollywood, which some described as the "elephant in the room" that one is forced to face to understand the current state of the EFI. While the rise of more robust European companies in the filmed entertainment sector was largely applauded, some interviewees expressed concerns about industry consolidation and the bipolarisation of the market. They cautioned that a market increasingly dominated by a few large companies, alongside numerous small players struggling to survive, risks eroding the "middle ground," potentially leading to its complete disappearance.

These discussions on Hollywood versus European cinema and market concentration were closely linked to another major topic in the interviews regarding production: the impact of streaming platforms. Generally, interviewees spoke positively about the emergence of these platforms, particularly in terms of their far-reaching financial implications, such as generating more money for film production and providing international channels for distribution. However, interviewees were also critical of their adverse effects on the EFI. Beyond the erosion of the theatrical film experience and the broader impact on the film exhibition sector (further developed in other chapters), they pointed to trends such as streamers' increasing focus on series, rising budgets and wages, and the threat to European producers' creative autonomy as decisions are made on a global scale. The final paradox thus concerns the film producers' self-perception. The general sentiment was that the role of the producer has become more difficult and complex, with some expressing the feeling that they are losing power and autonomy—traditionally seen as characteristic of a more European production model—, becoming more like financiers. This changing industrial landscape has also transformed the duties and responsibilities, margins and the profitability of the sector.

**Distribution**

The transition to digital cinema has dramatically changed film distribution, affecting the industry's economic, logistical and cultural structures. This chapter examines how digitisation has reshaped film distribution by breaking down logistical and economic barriers, while creating new challenges in an increasingly competitive ecosystem.

For many of the interviewees, the digital revolution in film distribution has ushered in an era of unprecedented opportunities and intense challenges. While it has reduced costs, streamlined logistics processes and enabled innovative content delivery, some of these benefits are offset by increasing competition and the concentration of power among major players. In this new context,

independent distributors seem to be the ones facing the biggest obstacles; however, the consequences are not only felt in industrial terms, as the cultural diversity of cinema seems at risk of being crowded out by mainstream, homogenised content. Addressing these tensions, interviewees agree, requires a balanced approach that embraces technological innovation while protecting the industry's cultural and economic foundations.

The flexibility of digital formats, one professional noted, not only eliminated logistical obstacles but also allowed cinemas to quickly adapt their programming to audience preferences. However, this technological innovation yielded a dual impact: while it expanded market access, it simultaneously inundated the sector with an overabundance of content, which intensified competition among distributors and created an environment where immediate success was crucial to a film's longevity. At the same time, as expenditures on physical distribution diminished, marketing budgets rose in prominence, becoming pivotal in capturing audience attention within an increasingly oversaturated marketplace.

This chapter also presents interviewees' reflections on the decline of physical formats such as DVDs and especially on the shift to digital platforms. Platforms such as Netflix and Amazon Prime have expanded access for audiences and producers while making traditional intermediaries redundant. At the same time, their reliance on algorithms to prioritise content often marginalises local and niche productions, contributing to cultural homogenisation. Thus, independent distributors, key players for the circulation of European films, struggle to compete with these global giants, which can outbid them with greater resources and market penetration. Meanwhile, the consolidation of financial power around a few big players within the industry has intensified. Financialisation has led to a greater emphasis on profit-driven models, favouring large-scale distributors with extensive resources and financial support. Smaller, independent distributors face significant risks in an environment where cinema success is critical, as other links of the value chain have been radically transformed (or just diminished). In this regard, the loss of DVD revenues as a safety net has increased their vulnerability, leaving independent distributors dependent on the success of a cinema release and the marketing budgets needed to support it.

In its final part, this chapter focuses on geo-blocking, as it remains a controversial issue within the European audiovisual sector that highlights the tension between accessibility and cultural protection. While critics argue that geo-blocking limits audience access, proponents stress that it protects territorial exclusivity—a cornerstone of funding models and cultural diversity. These discrepant glimpses into the accessibility of European content show an important tension and critical

divergence between European film ecosystems and major American players. They can also be read as symptoms of two different industry models with different takes on the question of competitiveness. Unlike global platforms that centralise content and prioritise scale, European film ecosystems are inherently fragmented; proposals to eliminate geo-blocking and the window system risk undermining these localised strengths in favour of homogenisation which may not align with Europe's commitment to cultural pluralism. Overall, interviewees made it clear that geo-blocking is not merely a barrier but a fundamental mechanism supporting the territoriality that underpins cultural diversity and economic sustainability in Europe's audiovisual sector. The challenge lies in addressing accessibility without undermining these vital elements.

**Exhibition**

This chapter is structured around the most frequently discussed issues, including the role of technology as a driver of change (mainly around digitisation and AI), shifts in programming, the impact of the pandemic, structural changes in the exhibition market, and questions of competitiveness—such as competition with Hollywood and other leisure activities. Additionally, it explores the evolving relationship between cinemas and streaming platforms, the persistence of the cinema experience, and the changes in audience behaviour and taste.

The most impactful change in the European exhibition sector was, without a doubt, the transition to digital projection. This shift, which was relatively slow for independent and arthouse cinemas, involved high upfront costs, including substantial expenditure on new technologies, significant investment in new sites, or the modernisation of existing ones. It also had a notable impact on labour, such as the loss of projectionist jobs. One of the most striking findings from the interviews is that senior professionals now view the digital conversion process very positively. While they commend the policies and subsidies that supported this digitisation, they also highlighted the long-term benefits, including cost efficiency, flexibility, innovation, and other advantages. Despite this positive attitude towards digital tools and applications, some interviewees pointed out the paradoxical reality that the industry, in many ways, still operates like an analogue industry, for instance regarding the ineffective use of audience trends and data.

When discussing AI, respondents expressed a great amount of uncertainty about its potential impact. However, they generally maintained a positive outlook, often drawing comparisons to their experiences with the digital conversion process of the first decade of the 2000s. Critical observations

included concerns about significant job losses, the profound redistribution of labour, data privacy, authenticity, legal transparency or its slow implementation.

Among the key findings related to competitiveness and the evolving market, senior professionals highlighted how the digitisation process has blurred the distinctions between cinema segments, leading to a noticeable convergence in programming. This is particularly evident in cross-programming practices, where blockbusters like *Barbie* (2023) are now more regularly shown in a variety of cinema venues, including those traditionally associated with arthouse films. Similarly, a parallel convergence occurs as arthouse-oriented movies are increasingly featured in multiplex cinemas, reflecting a growing overlap in programming strategies.

Competitiveness was also downplayed in the context of the relationship between the EFI and Hollywood. Here, respondents emphasised that Hollywood blockbusters remain vital to the commercial film exhibition sector in the EU. However, when discussing online viewing services and VoD, interviewees pointed to challenges posed by the US-dominated streaming sector, especially during the COVID-19 pandemic, when Hollywood studios delayed major blockbuster releases and prioritised online distribution. Interestingly, with regard to competition for audiences, they dismissed the notion that heavy users of streaming platforms are less likely to attend cinemas. On the contrary and maybe quite paradoxical, they believe there is a positive correlation between cinema-going and streaming platform consumption. Instead, respondents identified traditional broadcasters as the primary victims of the streaming sector's expansion. Finally, in terms of the traditional film exhibition sector's competitiveness, senior professionals reflected on the broader context in which cinemas operate, framing them as part of the leisure and attention economy. The interviewees discussed at length the changes and innovations in cinema offerings and programming. A key insight is that digitisation provided cinema exhibitors with the opportunity to be far more flexible and creative in deciding when and for which audiences to show films. Strategies such as multiprogramming, creating events (eventisation), the rise of premium and event cinemas, and the increasing importance of curatorial approaches to foster community engagement and cultural enrichment were frequently mentioned.

Interviewees also highlighted the abundance of films and the increased choice for audiences, resulting in a growing sentiment of 'oversupply'. This oversupply, driven by flexible and multiprogramming strategies—closely tied to the phenomenon of overproduction (see Chapter 4)—has intensified the pressure on cinemas and created what many perceive as a "battle for screens." A particularly striking observation from the interviews is that in some undersaturated markets, such

as Flanders, there was a clear need for additional theatrical screens. This emerges as a key paradox: despite the broader multi screen environment and the abundance of screens available for consuming films and audiovisual content, the physical theatrical screen remains in high demand.

The final section of the chapter examines changes in audience behaviour and tastes, as well as the evolving role of cinemas as physical spaces for film consumption and entertainment. Senior professionals strongly believe in the uniqueness, added value, and enduring appeal of the cinema— provided that the film experience is thoughtfully and professionally curated. They emphasise the importance of a community-based approach and the power of the collective film-viewing experience and they also discuss strategies for improving cinema attendance. Finally, the chapter explores other significant themes, such as the growth of the film festival scene, policy-related challenges, and the increasing awareness of and strategies for addressing issues related to inclusion, gender balance, diversity, and sustainability.

**Policy**

There seems to be little doubt about the centrality of public funding and policies for European cinema. Stakeholders consider film policies, usually implemented through European programmes or at least following European guidelines, central to maintaining the economic and cultural health of the European film industry. However, they still face important challenges. As in the previous chapters, this report identifies some of them that will be commented on in detail in its final part: the effects on film production, the friction between the common policy framework and diverse market realities, and what many interviewees see as the hurdles of bureaucracy. Before focusing on these aspects, the report firstly provides a general overview of the transformation that highlights milestones (such as specific programmes, regional funds) and identifies tensions and drafts its shifting models (emergence of tax incentives). This longer introduction also provides diverse evaluations of what many interviewees see as a general problem in the policies: a lack of clear objectives capable of mediating in the basic tension between EFI's cultural relevance and its economic sustainability.

Looking back at thirty years of public funding, the evolution is seen as generally positive, but still insufficient if one considers that US companies still dominate the EFI or how these initiatives also generate negative effects, as they may create industrial dependencies, generate disappointment, etc. Positive effects are usually found when the policies are evaluated in cultural terms; in this

context both the MEDIA/Creative Europe Programme and Eurimages are usually highlighted as central support mechanisms.

While the focus in this chapter was on European programmes, stakeholders usually highlighted how European policy in this regard is understood more supplementary than steering, as it is really the countries and the regions that are the driving force behind the European film funding.

From a historical perspective, stakeholders indicated a notable transformation in the forms of support from direct aid to the development of tax shelters and incentives. This evolution started in the late 1990s with the introduction of tax incentives in countries like Ireland and the UK. However, this transformation has also been punctually contested. Some of the interviewees believe that it does not serve the (cultural) principles that should drive film funding. Instead, it creates competition between countries within the EU. Moreover, there seems to be a growing concern that funding may shift away from cultural and selective schemes towards these tax incentives, which are primarily aimed at stimulating economic activity. In another example of how all these questions are deeply intertwined, this shift in the forms of support is seen as related to the (aforementioned) transformation of European productions towards a more audience friendly model at the turn of the century.

This transformation towards a model based on tax incentives illustrates in historical terms a friction that many interviewees see at the core of EU policymaking, that is, a lack of clear goals that may result in important contradictions: policies seem to advocate for cultural diversity, but they also emphasise competitiveness and attracting private investors, leaving the impression, at least among some of the interviewees, that these policies ultimately seek the support of more competitive blockbusters.

Subsequently, the chapter analyses the ways in which film policies are related to the problem of overproduction. Again, the disparity of objectives in the policies are brought up as explanations. At the same time, with funding programmes and tax incentives usually focused on content production, the areas of distribution and promotion receive less attention. The lack of public support for distribution and promotion is especially striking if one considers the low cross-border circulation of European films. A solution may be to encourage collaborative work between producers and distributors in order to ensure the viability of the project from its very inception, or the development of parallel forms of collaboration that could flourish beyond EU-programs.

The report further elaborates on the problems usually brought about by systematic European film policies and how they sometimes paradoxically pose in an industrial context characterised by its diversity. As one of the  interviewees bluntly commented, although one of the EU star programmes calls itself Creative Europe, it "actually seems to prefer mainstream projects."

Deeply related to this aspect, the report detected a third area: a lack of understanding of the specific work in the film industry. Interviewees shared for instance the conviction that European funding schemes function only at a certain level, that is, for mid-size or bigger projects; only when a company reaches a certain production, they further lamented, do companies start to have Europe in mind.

**Conclusions**

In this final section, the report relates the key issues discussed in the previous chapter with a set of general considerations that could not be previously discussed in detail but were nevertheless usually mentioned during the conversations with the stakeholders. The first of these was the relevance that film-cultural initiatives hold to ensure the present and future of the EFI. Stakeholders acknowledged the vital role played by institutions such as festivals, (film) schools, museums, archives, and public broadcasters in sustaining film culture.Stakeholders also discussed the current state of film and its role within the audiovisual landscape and, more generally, in society. Their testimonies tended to highlight the liveliness and resilience of the EFI as well as the changes, challenges, and paradoxes that have shaped its recent history. The general impression is, however, that this transformation has accelerated over the past few years, creating a "negative perfect storm" due to the effects of the pandemic that weakened distributors, production companies, and other cinema-related businesses and the impact of changes in government funding and cost-cutting measures within the tax shelter.

At the same time, the conclusions also highlight the necessity of recognising that many of the paradoxes previously mentioned may also represent the essence of European cinema. Take, for instance, the much-debated issue of overproduction, usually framed as a problem, while it could be also understood as the natural outcome of a Europe of nations and regions interested in promoting its rich cultural and linguistic diversity. Or the relationship between Hollywood and European cinema, which many interviewees framed in terms that go beyond the traditional opposition between both terms. A third, significant paradox may be the link between the quasi-unlimited supply of films in an online environment and the enduring appeal of cinema as a physical space and cinema-going as a communal form of leisure

Given the "perfect storm" currently facing the European filmed entertainment sector, many senior professionals provided suggestions for strengthening the state of the EFI. Interviewees were generally positive about the current policy directions, while they also acknowledged the limited budgets provided by public institutions. A key set of recommendations included calls for greater transparency and significantly reduced bureaucracy in the often time-consuming processes of submitting and evaluating project proposals.

Delving deeper into the policy recommendations, many emphasised the need to move beyond supporting film production and to focus on strengthening initiatives related to exhibition, distribution, and promotion of European films. Again, this calls for a more integrated approach to strengthening film culture. Another key issue was related to the perceived lack of data and knowledge about audiences. There is a call for a more fine-grained understanding of audience behaviours and preferences, especially in comparison to better-equipped players such as US streamers.

Further policy recommendations included combating piracy, strengthening existing content quotas for European works on streaming platforms, strengthening co-production micro-treaties, investing more in cinema exhibition in markets with underserved or underdeveloped cinema infrastructures, addressing national policy measures regarding tax shelters and other financial support mechanisms that create intra-European competition, investing more in audience engagement in film exhibition, supporting the industry to focus more on underrepresented groups like youth, women, the elderly, and people with diasporic backgrounds.

However, perhaps the most fundamental call from the interviewees was to abandon top-down policies that could harm the EFI's interests and to engage in a dialogue that fully considers the professionals' expertise and experiences as well as the diversity of the industry when developing policies. At the core of this call for more dialogue is the belief that much like Europe's food, beverage, fashion, and other cultural industries, the EFI is a "milky way" made up of a multitude of producers, distributors, and exhibitors.

# 3. INTRODUCTION

*"The abundance of quality in the past 20 years has taught audiences to appreciate great storytelling, and a multi-year trend of excitement about strong authorial voices now extends even into the blockbuster space. Moving beyond categories like 'mainstream' or 'arthouse', which are no longer meaningful to audiences, will help create a sustainable cross-platform business model for independent film."*[1]

Although the much-anticipated Göteborg Film Festival's annual *Nostradamus Report* provides forward-looking insights into the future of the European film and screen industries, one section of the latest edition reflects on the developments of the past two decades. In the aforementioned quote, Johanna Koljonen highlighted several key trends identified by the filmed entertainment experts she interviewed for the report. The quote emphasises the growing abundance of high-quality material and the enduring relevance of authorship—a concept often seen as central to European cinema's identity.[2] However, the experts also observed that these and other traditional labels around Europe's cinema have become increasingly blurred over the last twenty years: the distinction between mainstream and arthouse films has grown more fluid, authorship is now a more ambiguous concept, and audiences—who enjoy unprecedented levels of choice—show little regard for such concepts, focusing instead on engaging storytelling.

Similar observations emerged from the interviews we conducted with **senior professionals** for this report, which focuses on examining **changes and challenges in the European Film Industry (EFI) over the last few decades**. Unlike the *Nostradamus Report* series,[3] which adopts a forward-looking perspective, this report takes a backward-looking approach, analysing trends, tensions, and paradoxes in the development of the EFI over the past thirty years. **Paradoxes** are conceived as complex, seemingly contradictory trends, which often reveal a deeper understanding of what is at stake for the industry. To achieve this, we draw on interviews with key stakeholders: senior professionals from the film production, distribution, and exhibition sectors, as well as individuals

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[1] Koljonen, J. (2024). *Nostradamus Report: Paradox of Hope.* Göteborg: Göteborg Film Festival, p. 8.

[2] Elsaesser, Th. (2005). *European cinema: Face to Face with Hollywood.* Amsterdam: Amsterdam University Press. Elsaesser, Th. (2019). *European cinema and continental philosophy.* New York/London: Bloomsbury Academic.

[3] For the latest reports, see: Koljonen, J. (2023). *Nostradamus Report: Everything Changing All the Time.* Göteborg: Göteborg Film Festival. Koljonen (2024).

involved in related fields such as policy and research. This retrospective study is grounded in these key witnesses' personal memories and experiences, offering a unique perspective on how the EFI has evolved.

**Aim**

By integrating historical experience- and memory-based insights with an industry-oriented approach, we present an alternative lens on a core objective of the H2020 REBOOT project[4]—examining the **strengths, weaknesses, and competitiveness of the European audiovisual sector and its film industry**, here **viewed through a historical lens**. This research adopts a bottom-up approach, grounded in oral history methodologies, memory studies, and critical industry studies,[5] to capture these key stakeholders' understanding of how the EFI has undergone and adapted to some of the most fundamental changes since the 1990s. These changes include digitisation and related technological transformations, shifts in film, audiovisual, and cultural policies, and alterations in the strategies and practices of creating, producing, distributing, exhibiting, and consuming (European) films. By focusing on the rich **experiences and testimonies of key stakeholders**, the authors of this report aim to contribute to the growing literature on recent changes in the European film and audiovisual ecology—a field of research often characterised by a long tradition of robust (political) economic, policy, and industry-related approaches.[6]

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[4] See https://thereboot-project.eu/. Other REBOOT reports which might be of relevance for analysing the EFI: Psychogiopoulou, E., Samaras, A., Comerma, L., Vlassis, A. & Riga, D. (2024). *Competitiveness in European law.* Martinelli, A., Nuvolari, A. & Pilo, P. (2024). *The Socio-economic status of the movie industry in Europe: quantitative mapping and related indicators.* Tirelli, S., Sobieszczanski, M., Treleani, M., Gibilaro, L., Bohanne, L. & Bosova, G. (2024). *Three informative videos and immersive scenarios.* Ramos Arenas, F., Corredoira, L., Waszkiewicz-Raviv, A., Zawisza, A., Sidyk, D. & Benaissa, S. (2024). *Cross-national report on European VOD platforms.*

[5] Our approach was, on one hand, inspired by recent trends in film history, associated with New Cinema History which very much stresses the need to look at film history from the perspective of 'people' and their 'experiences' rather than focusing on films or structures. See e.g., Maltby, R., Biltereyst, D. & Meers, Ph. (eds.)(2011). *Explorations in New Cinema History: Approaches and Case Studies.* Malden: Wiley-Blackwell. On the other hand, we were inspired by media industry and production studies, an approach that delves deeper into the human and creative processes involved in media production; it examines the people (e.g., directors, producers, writers), their labour, and the cultures within production environments. See e.g., Mayer, V. et al. (eds.)(2009). *Production Studies: Cultural Studies of Media Industries.* New York: Routledge.

[6] See, for instance, the fundamental research and analysis provided by the European Audiovisual Observatory (EAO), an organisation funded by the Council of Europe which serves as an indispensable resource for fostering a deeper understanding of the European and global audiovisual sectors. While this report takes a different perspective, emphasising a qualitative approach based on experiences, memories, and oral history methodologies (including interviews with two of the EAO's senior experts, cf. Int. 36, Int. 45), the data and analysis from the EAO and other data-providing institutions are best understood as the contextual foundation for this research rather than as primary sources. EAO's digital data, Yearbooks, Focus and other reports have often been used as key resources in other important publications on our historically oriented topic. See e.g., De Vinck, S. (2011). *Revolutionary Road? Looking Back at the Position of the European Film Sector and the*

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**Methodology**

To facilitate this historical research, teams from Belgium (Ghent University, CIMS) and Spain (Complutense University of Madrid, UCM) conducted **interviews with 68 senior professionals from the EFI**. The interviewees included high-level representatives from the film production, distribution, and exhibition sectors, as well as stakeholders from national and pan-European trade associations and interest groups (e.g., FEDICINE/Fedicine Federación de Distribuidores Cinematográficos, UNIC/International Union of Cinemas, CICAE/International Confederation of Art Cinemas, Europa Distribution). Additionally, the study involved representatives from film policy institutions (e.g., CineRegio, Europa Cinemas, DFI/Danish Film Institute, ICAA/Instituto de la Cinematografía y de las Artes Audiovisuales, NFF/Nederlands Fonds voor de Film, VAF/Vlaams Audiovisueel Fonds), pan-European research institutions (e.g., from the EAO/European Audiovisual Observatory), and other film-related organisations, including film offices, festivals, broadcasters, as well as critics, independent researchers, and academics (see Appendix 1. List of Interviewees).

The report's researchers used **semi-structured interviews, conducted primarily between October 2023 and April 2024**, to explore a range of topics, including technological changes, shifts in film policy, and changes in production, distribution and exhibition. Other topics included issues related to audiences, competitiveness, sustainability and inclusion (see Appendix 2. Interview Protocol). Most of these in-depth interviews, averaging nearly an hour and a half,[7] took place individually and in person. In total, more than one hundred hours of interviews[8] were recorded, transcribed and systematically analysed using interview analysis software such as NVivo. The result of this intensive series of semi-structured, in-depth interviews is an impressive collection of testimonies that provide an insightful yet diverse account of the structural transformations and perceived changes in the EFI. At the same time, they shed light on underlying patterns of continuity and persistent issues that remain unchanged. Taken together, these interviews form a rich discursive database that combines fact-based industry analysis with personal opinions on the industry's changes and continuities. They also include compelling stories, anecdotes and narratives that

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*Results of European-level Film Support in View of their Digital Future. A Critical Assessment*. PhD diss. Brussels: Vrije Universiteit Brussel. See also: Wutz, J. (2014). *Dissemination of European Cinema in the European Union and the International Market.* Stuttgart: IFA, Unifrance, Jacques Delors Institute. Biltereyst, D. and Cuelenaere, E. (2021). *European patterns in the movie market*, report for the H2020 Eumeplat project. Milan: Eumeplat. Jones, H. (2024). *Transnational European Cinema: Representations, Audiences, Identity.* Cham: Palgrave Macmillan.

[7] More precisely 84 minutes (see Appendix 1).
[8] The total amount of minutes is 5645, or somewhat more than 94 hours. One interview was based on a written response ((interview 57, see Appendix 1).

highlight perceived milestones. The tone of the interviews varied from analytical and factual discussions to self-promotional accounts and thought-provoking narratives and metaphors.

**Report style and inspiration**

From this rich set of interviews, we present this report as an attempt to consolidate the most salient insights of senior professionals into the recurring changes, tensions and paradoxes in EFI's recent history.[9] In doing so, we have drawn inspiration from the approach and reporting style of the *Nostradamus Report* series—not only in the use of interviews, but also in the structure and presentation of key findings. By using in-depth interviews and adopting a **bottom-up approach**, we aim to highlight the depth and often untapped **richness of experts' 'on the ground' experiences and memories**. To give voice to the experts' lived experience, we have interwoven our narrative with compelling quotes drawn directly from the interviews. This approach is intended to make the report more accessible and engaging. As with the *Nostradamus Report*, we believe that first-hand, bottom-up testimony is essential for a deeper understanding of recent changes in the EFI.

To honour the explicit request of several interviewees, we have anonymised all participants and their quotes. From a methodologically self-reflective standpoint, we must acknowledge that, given the substantial volume of interviews and statements, as well as the constraints of this report, we inevitably had to make choices. The selection of quotes was guided not only by the rhetorical strength of specific statements (e.g., the use of vivid metaphors) but also by our intent to illustrate key arguments, particularly those emphasising tensions, conflicting perspectives, and paradoxes in how senior professionals perceive the EFI's recent history. It is important to note that by curating specific quotes, we do not necessarily endorse the views expressed by interviewees. Additionally, as the interviews were conducted in multiple languages (Dutch, English, French, Spanish), we translated all statements into English. While this process involves careful attention, we recognise the inherent risks of interpretation and the potential for decontextualisation in translation.

**Structure and priorities**

Following this Introduction, this report explores the most recurring findings, summarising senior professionals' testimonies on changes in production, distribution, exhibition, and policy. While

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[9] To delve deeper into the rich insights gathered from this extensive series of interviews, the authors plan to build on this historical research with future scholarly outputs. These will include journal articles, books, conference presentations, workshops, and the organisation of a dedicated conference, scheduled for 22–23 May 2025 in Madrid.

reflecting the specificities of each area, all chapters follow a similar structure: they first present a general narrative arc followed by a series of subjects that, due to their complexity or paradoxical nature, are addressed with greater detail. The final chapter (§8) summarises the main findings on changes and continuities in the EFI and tentatively offers some policy recommendations. We hope that this structure enables us to present the most compelling insights into the experts' perspectives on transformations within the EFI. However, other valuable findings proved more challenging to prioritise, particularly as we aimed to keep the report as concise and accessible as possible. Among the less-developed areas, which we aim to address in future publications, are reflections on shifts in audience composition, viewing choices, behaviours, and experiences; the impact of geopolitical changes on the EFI and its relationships with the US and other global film industries; and self-reflective observations on the primary drivers of change. One central finding of this report is the frequent emphasis by interviewees on the **transformative role of technological advancements**—especially digitisation—, the increasing **influence of policy initiatives** at pan-European, national, regional, and local levels, as well as the quasi-systemic **dominance of US-based companies** with more recently the disruptive impact of major streamers. According to the experts, these factors have profoundly shaped every segment of the industry, driving changes in strategies, tactics, and practices across the EFI.

**Time**

Regarding the report's temporal and spatial scope, it is important to acknowledge the distinctive nature of using in-depth semi-structured interviews and memories as a research method. While our primary focus is on **changes since the early 1990s**, many senior experts reflected on the beginnings of their careers, with some accounts reaching as far back as the 1960s. At the same time, numerous interviewees contextualised earlier industry conditions by referencing recent developments, such as the rise of streaming platforms. In this report, we aim to frame the senior professionals' perspectives around the period starting in the late 1980s. This focus is driven by the profound transformations that have reshaped the European and global filmed entertainment industry since that time. The late 1980s and early 1990s, in particular, were pivotal years marked by key policy initiatives at the European level. These include the creation of the Council of Europe's Eurimages initiative in 1989 and the pilot phase of the MEDIA Programme in the same year (now integrated into the Creative Europe Programme). On a broader European scale, additional policy measures were introduced to support the film and audiovisual industries at national, regional, and

local levels.[10] One of the objectives of this historical research is to analyse how senior professionals reflect on the impact of these policy initiatives. In parallel, the research examines their views on the implications of technological advancements—especially digitisation—which fundamentally altered how films are produced, financed, distributed, exhibited, marketed, consumed, and experienced by audiences.

**Space**

While we conducted a substantial number of in-depth interviews with senior professionals across Europe,[11] this historical research does not claim to offer pan-European representativeness. Although our interest lies in understanding the broader changes, challenges, and paradoxes affecting the European filmed entertainment sector as a whole, we emphasise the importance of preserving regional and national dynamics in our analysis. Given the composition of our teams, this report prioritises testimonies on historical shifts in the film and audiovisual industries across **three types of territories**: a regional focus on the Belgian region of Flanders, a national perspective centred on Spain's major film industry, and a pan-European overview of broader trends. For the latter, while most interviewees shared clear opinions on changes within the EFI, this report concentrates on the perspectives of representatives from pan-European trade associations, interest groups, and policy institutions.

Although the primary focus of this report regarding the **European dimension** will be on the European Union (EU), it is essential to emphasise once again the porosity of 'Europe' as a concept. When our senior professionals referred to 'Europe', they sometimes meant the EU—a supranational political and economic union consisting of a historically evolving number of member states. In other cases, however, they invoked a broader understanding of Europe, provoking evocations of its political,

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[10] For the historical perspective, see the report by the CNC and the EAO, *Public Aid Mechanisms for Film and Television in Europe*, based on questionnaires conducted in 1995 and published in 1998. https://rm.coe.int/public-funding-report-1999-vol1-en-pdf/16808e46d3. A more contemporary analysis is provided by Kanzler, M (2024). *Insights into direct public film funding in Europe* Strasbourg: EAO. As an example of a regional film and audiovisual fund, one can refer to the creation of the Flemish Audiovisual Fund (VAF) in Flanders in 2001; see Willems, G., Biltereyst, D., Meers, Ph & Vande Winkel, R. (2018). From film policy to creative screen policies: Media convergence and film policy trends in Flanders (Belgium), pp. 241-246 in N. Mingant & C. Tirtaine (eds.) *Reconceptualising Film Policies.* New York: Routledge. For the Spanish context see García Fernández, E. C. (ed.) (2015). *Marca e identidad del cine español*. Madrid: Fragua. (especially pp. 196-264), with a general approach, and for a more specific case study in English: Díaz-González, M.-J. and González del Valle, A. (2021). Film Policies and Film Production in Spain during the Economic Crisis (2007-2017). *Palabra Clave*, 24(1), 1-27.

[11] The interviewees were conducted in Belgium, Denmark, France, Germany, Italy, the Netherlands, Spain, and the United Kingdom.

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cultural, historical, and geographical dimensions. This broader conceptualisation also applies to our interviews with representatives of pan-European and global organisations, such as UNIC[12] (the international organisation representing European cinema operators and trade associations across 39 territories), CICAE[13] (the international non-profit association uniting arthouse cinemas in 46 countries worldwide), and Europa Distribution[14] (the international association of independent film publishers and distributors representing 32 countries in Europe and beyond).

The first of the focused territories, **Spain**, is one of the Big Five production hubs in the EU, producing 375 films in 2023 alone,[15] with a robust infrastructure for distribution and exhibition. The country has a well-established network of cinemas, with over 3.59 thousand screens nationwide, and a growing digital distribution market, including prominent streaming platforms like Netflix. Spanish films still struggle to achieve a significant cut at the box office, which was 22,1% in 2022. The total number of spectators during 2022 rose to 59.1 million, compared to 41.7 million the previous year. The number of spectators of Spanish cinema also increased significantly, from 6.7 million in 2021 to 13 million in 2022.[16] In that same year, the majority of TV fiction commissioned by global streamers within the EU was produced in Spain and the UK.[17] Netflix has invested substantially in Spanish productions, both television series, such as *Money Heist* (2017–2021, originally produced by the national media group Atresmedia), and feature films, such as *Society of the Snow* (2023).

The second focused territory, **Flanders**, the northern Dutch-speaking part of Belgium, presents a significantly smaller market compared to Spain, with a population of around 6.8 million people (in Spain, the population almost hit 50 million in 2023). There are a total of 47 cinemas operating in Flanders.[18] Although Flanders' film production is quite low in terms of volume (with an average of 14 full-length Flemish films each year),[19] It is internationally quite competitive, with 41% of admissions for Flemish films between 2014 and 2022 coming from international markets. In 2022, Flemish films attracted 1.8 million cinema-goers domestically, a 41% increase compared to 2019, despite broader

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[12] https://www.unic-cinemas.org/.

[13] https://cicae.org/

[14] https://www.europa-distribution.org/

[15] "BOLETÍN INFORMATIVO: 2023". National Statistical Institute of Spain. Retrieved 03 Jan 2025.

[16] "BOLETÍN INFORMATIVO: 2022". National Statistical Institute of Spain. Retrieved 03 Jan 2025.

[17] Source: EAO 2024

[18] Raats, T., Biltereyst, D., Meers, P., Van de Wouwer, S., Asmar, A. & Peeters, J. (2024). *Analyse van filmexploitatie in Vlaanderen. Studie in opdracht van het Vlaams Audiovisueel Fonds*. Brussels: VAF-SMIT-CIMS.

[19] See https://www.vaf.be/jaarverslagen/2023. Small European Film Markets - Industries - Flanders — CRESCINE

declines in overall cinema attendance.[20] A tax shelter system has strongly contributed to the professionalisation and internationalisation of the Belgian and Flemish audiovisual sector.[21]

**Film**

Finally, we must acknowledge that defining film has become increasingly complex in today's multi-screen environment. The ways in which films are consumed have broadened significantly, with audiences consuming films across various platforms, from traditional cinemas to streaming services and mobile devices. This shift reflects the industry's evolving strategy, prioritising multi-screen exploitation to maximize reach and profitability. Streaming platforms, in particular, have further blurred the boundaries by treating films as part of broader content portfolios and broadcasting them alongside serialised formats. Despite these developments, we define film as a one-off, non-serialised audiovisual product, distinguished by its intent to be showcased in theatrical settings. One key objective of this research is to explore how industry professionals reflect on these changes—specifically, the greater accessibility of films beyond cinemas and the continuing (or declining) role of theatrical exhibition as a central venue. This definition highlights the unique qualities of film as a cultural artifact and a singular, immersive audiovisual experience.

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[20] https://www.crescine.eu/

[21] Delaere, S., Van den Bulck, H., Tintel, S., Braet, O., Van Dam, T & Ballon, P.. (2021). *Doorlichting van het Vlaams Audiovisueel beleid 2021*. Brussels: imec-SMIT-VUB.

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# 4. PRODUCTION

*"Now, we have the wolf in the house."*  (Int. 51)

The first empirical chapter of this report focuses on testimonies regarding changes in European film production.[22] It firstly provides a general narrative arc structured around a set of topics (technological development, market fragmentation, increasing importance of private broadcasters, etc.), before settling on a group of four paradoxes that shaped the transformation in the years under consideration (overproduction, market concentration, the impact of streaming platforms, and the redefinition of the producer's role).

These last three decades are generally seen as a **period of growth**[23] for the industry that was supported by an increase in the available funding: "There was **hardly any industry** in Spain [in the mid-1990s]" (Int. 58), commented one producer on his first years working in the film branch. A similar analysis was offered by a Flemish colleague (Int. 12), who argued that the term "industry" was just not applicable to the film production sector in Belgium prior to the new millennium. He highlighted what he considered to be key **milestones in the professionalisation** of the Flemish audiovisual sector since the 1990s: the launch of a Flemish commercial broadcaster in 1989 (Vlaamse Televisie Maatschappij, VTM), and the establishment of the Flemish Audiovisual Fund (Vlaams Audiovisueel Fonds, VAF) in 2001. In addition to the broader shifts in **media policies across Europe** from the late 1980s into the 1990s—characterised by widespread liberalisation, privatisation, and the dismantling of public broadcasting monopolies, which paved the way for commercial television (see later on)—there was also a notable **creation or strengthening of public support mechanisms**

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[22] Although most interviewees discussed issues related to production, we spoke with 18 senior professionals—five from Spain, nine from Flanders, and four with a pan-European focus—who are or have been primarily involved in film production, mainly as producers, but also as film directors or as policymakers.

[23] On the growth of film production in the last three decades in Europe, see various EAO yearbooks. These were synthesized in Biltereyst & Cuelenaere (2021). In its *Yearbook 2023/2024*, the EAO indicates that after the COVID-19 pandemic in 2022 "European film production [is] back on growth track" (EAO, 2024, p. 14). In the *Yearbook* we read how "production output reaches second-highest level on record (...) with an estimated total of 1951 feature films produced in the EU and the UK, corresponding to an 11% increase and 188 films more than in the previous year. (...) This marks the second-highest production level ever registered, surpassed only by the record peak of 2 038 films produced in 2019." Spain is part of the Big Five production countries in the EU in terms of the largest feature film producers and also in terms of the growth (+37 films). Flanders, the northern part of Belgium, was among the smaller feature film production regions with an average of 14 fiction feature films per year. See EAO (2024). *Yearbook 2023/2024.* Strasbourg: EAO. EAO (2023). *Focus 2023.* Strasbourg: EAO.

**for film and audiovisual production**. These initiatives were implemented at various levels: nationally, as seen in the case of Spain[24]; regionally, as exemplified by Flanders;[25] and at the European supranational level, with the establishment of Eurimages and the MEDIA Programme.[26]

Also, **technological developments** are considered key to the transformation of film production. **"Digitisation [...] has changed the entire sector from top to bottom."** This quote comes from a representative of the film producers in Catalonia, Spain (Int. 17), but it reflects a general opinion voiced by most of the interviewees contacted for this project. This process is generally perceived as positive, particularly in terms of technical innovation, cost reduction, and time efficiency. Additionally, interviewees emphasised **digitisation as a driver of creative opportunities and a democratising force**, enabling a broader pool of creative talents to enter and participate in the industry. Policymakers seem equally convinced of its relevance: "Fragmentation and digitisation are the two big challenges of the European audiovisual market," affirmed a representative of the Creative Europe programme (Int. 2), who highlighted how technological changes could also provide a chance for increasing the competitiveness of the continent's film industry in a global context. When asked what to expect from **Artificial Intelligence (AI)**, representatives of the production sector were much more hesitant, arguing that this would constitute "a leap in the unknown" (Int. 51).

Market diversity and fragmentation appear as a second major topic. This reflects not only the multitude of smaller and medium-sized markets within the EFI—closely tied to Europe's cultural and linguistic diversity—but also the influence of policy initiatives that prioritise local, regional, and national markets. Additionally, interviewees associated atomisation with the proliferation of numerous small production companies operating with limited long-term planning. This structural

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[24] In Spain, film support mechanisms, already existing in different forms since the 1940s, became increasingly relevant in the 1980s, especially since the creation of the national film agency ICAA in 1986. The last three decades have also seen the development of further support mechanisms on regional level. See García Fernández, E. C. (ed.) (2015) and especially Fernández-Meneses, J. (2016). *Contemporary Spanish film policies (1982-2010)*, unpublished PhD thesis, University of Kent. A more specific, comparative analysis of the ICAA and its policies is also provided in the deliverable 2.3 of this same project.

[25] In Flanders, some support mechanisms were introduced as early as 1964. However, limited budgets and the politicisation of these initiatives prompted the sector to demand significant reforms, which ultimately led to the creation of the Flemish Audiovisual Fund (VAF). See Willems, G. (2017). The role of film production policy in stimulating a Flemish identity (1964-2002), *Communications, 42*(1): 89-98.

[26] For an overview of these public support mechanisms, see: CNC, EAO (1998) *Public Aid Mechanisms for Film and Television in Europe.* Milla, J.T. et al. (2016). *Public Financing for Film and Television Content: The State of Soft Money in Europe.* Strasbourg: EAO. Cappello, M. (2019). *Mapping of film and audiovisual public funding criteria in the EU.* Strasbourg: EAO.

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challenge has resulted in a heavy reliance on state support and continues to hinder the EFI's ability to compete effectively on a global scale.

**Private broadcasters**

A third and related topic concerning shifting market dynamics involved the growing **role of private broadcasters**[27]—beginning at the end of the 1980s in Flanders and in the early 1990s in Spain—and the increasing influence of internet service providers around the turn of the century. In industrial terms, this trend was generally perceived positively, as it contributed to the **production of more commercially-oriented and audience-friendly local film titles**. "**They [private broadcasters] started to produce films that people wanted to see"** (Int. 5). While the author of this quote, a representative of film exhibitors, considered this transformation generally positive, independent producers and policymakers with a more classic, cinephile background usually reacted with reservations, as they understood that the commercial interests of these new players were now also influencing the outcome of film production and state film policies.

The transformation was multimedia and international: it affected cinema, television, media conglomerates, and reconfigured the audiovisual field in many countries. In Spain **"**this has come from television, from companies like Sogecable[28] and people that have channelled large amounts of money into our [film] industry. Obviously, sometimes they make our lives very difficult [but] **this means that we have an industry that works**." (Int. 58) Reflecting on other national examples, a senior European policymaker (Int. 26) argued that "as a private television network, Canal+ altered the dynamics of film production and financing in France," whereas "similarly, Mediaset in Italy had a comparable impact, changing how films were produced and funded."

Interviewees also connected this development to significant **generational shifts** within the film production sector, characterised by the entry of younger producers who challenged traditional filmmaking approaches. According to some respondents, these generational changes further cultivated a growing appreciation among audiences for the quality and appeal of national cinemas.

The transformation toward **more audience-friendly, commercially-oriented productions** accelerated around the turn of the century: "**In European cinema there was a moment–around 2000-2005–where borders were broken, and it was shown that 'local' cinema could travel.** In

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[27] Private broadcasting in Flanders began with the establishment of VTM (Vlaamse Televisie Maatschappij) in 1989, while in Spain, private broadcasters such as Antena 3 and Telecinco were launched in 1990.
[28] Sogecable was a Spanish media company specialised in the pay-TV sector active from 1989 to 2015.

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that sense, [the French film production] *Intouchables* (2011)] was a milestone. It had been assumed that good European commercial cinema was local, until the French case demonstrated otherwise". (Int. 7) Before *Intouchables* [which grossed over $400 million internationally], "***Amélie*** [(2001), more than $170 million worldwide] was central in this transformation. […] The world realised that local commercial cinema could succeed internationally if produced with ambition and entrusted to the right distributors in each country. **There you could see that there is a European cinema that can be commercial without lacking quality"**. (Int. 7)

From a historical perspective, these general trends were especially affected by the arrival of **global VOD providers to the EU market**, which became particularly prominent after 2015 and accelerated during the COVID-19 pandemic. Their impact was viewed as relevant across multiple areas. A Belgian film producer (Int. 35) argued that the arrival of the streaming platforms constituted a "**landslide** in the way people consume films, in the way they are funded, and so on." Generally, interviewees spoke positively about them, particularly in terms of their far-reaching financial implications, such as bringing in more money for film production through significant investments in European cinema. However, they were also **critical of their effects on the cultural diversity** that is usually understood as a key characteristic of the EFI, thus indicating one aspect that the report will address in more detail over the following pages.

Looking back at the transformation, the report now asks which paradoxes shaped this transformation—namely, which phenomena help us understand the complexity of these years and were central to the conversations with stakeholders. Among them, the following topics stand out for bringing together some of the key issues in new, thought-provoking perspectives: overproduction, and its relation to the question of sustainability of the European Film Industry and its competitiveness; Hollywood's presence in the continent's industry; the still somewhat unclear impact of streaming platforms and the changes that these phenomena have brought to the practitioners' own definition of what a producer is.

While the following pages separate these aspects for analytical purposes, they are of course deeply intertwined and connected to a **basic tension between EFI's cultural relevance and its economic sustainability**.

## 4.1. Overproduction as a problem, a challenge, or a sign of a diverse and flourishing sector?

**Overproduction as a taboo**

One of the key issues identified in the 2024 *Nostradamus Report*, which the global filmed entertainment industry should urgently confront, is the overabundance of film titles in theatrical exhibition. In her report, Kiljonen describes overproduction as a "taboo," or as a "very uncomfortable or even forbidden" topic that needs to be addressed. She highlights the staggering rise in global theatrical releases, noting there were "about 4,500 theatrical releases" in 2003—a figure that doubled to 9,150 by 2023. According to the report, the overabundance of releases and overproduction of films must be urgently tackled, as these trends emerged during a period when the digitisation of cinemas led to a new programming strategy (see Chapter 6), "which has shrunk screen availability because the biggest releases are so massive now." Naturally, this raises many "uncomfortable questions," including the sensitive issue of "whose films should not get made,"[29] as well as broader concerns about industrial and public policy strategies.

**Overproduction as a problem**

However, reflecting on the interviews we conducted with senior professionals within the EFI,[30] it is striking how outspoken most interviewees were about this issue. Many identified it as one of the EFI's key problems or challenges, particularly in relation to European cinema's ongoing struggles to remain competitive: "European film struggles with **overproduction—too many films**" (Int. 47). A senior policymaker of the Flemish film fund confirms that this "problem" is widely recognised in the sector: "It is true that there is an overproduction, this is also said openly at the international level, everybody knows [it]" (Int. 53). A representative of the Creative Europe National Office in Spain gave a more specific shape to the issue of overproduction, as he addressed it in national terms: "I see it in Spain as a very serious [problem] too. Because in a normal year, not hit by COVID, in Spain

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[29] Koljonen (2024), pp. 17-18.

[30] Although most interviewees addressed issues of film production, 18 of our senior professionals were mainly active in this sector, most often as producers, but also sometimes as distributors or with an additional background in policy. We conducted nine interviews with key professionals in Belgium, five in Spain, and four interviewees represented international or European organisations in the sector of film production (see Appendix 1).

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almost 300 films are produced, of which half are not even released, and of the other half, 10% generate 90% of the value at the box office. And this is a failure" (Int. 2).

Distributors and exhibitors are prone to recognise the overproduction or the challenge, and they see it as the main issue hindering the present and future of the industry and its **lack of competitiveness**: "It is true that a lot is produced in Europe. Too much for my taste. With an average of 1500 films a year," commented a representative of European arthouse distributors (Int. 33). The CEO of a Flemish vertically integrated company, active in the production, distribution, and exhibition of arthouse films, also acknowledges the issue but partially attributes it as a **side-effect of policy measures**:

> "The support from **Creative Europe** is essential. **Without it, the film landscape might collapse.** However, it has also **created challenges, such as the overproduction** of films. As producers, we ourselves feel the impact of this overproduction, both in production and distribution. Within Creative Europe, distributors receive subsidies based on the number of viewers. This can result in situations where distributors acquire films primarily to benefit from the subsidy, even if it is not always economically prudent."

"In European policy circles, there is criticism regarding overproduction and inefficiencies," observes the CEO of UNIC (Int. 41), noting that "there is also a call for more competitive European blockbusters." This interviewee, a key expert in the European film exhibition sector and the CEO of UNIC (representing the majority of major cinema operators), acknowledges that "(T)his agenda might align with some of UNIC's goals." However, she also emphasises the need to consider the **industrial, cultural, and linguistic specificities and diversities of the European market**:

> "This agenda might align with some of UNIC's goals, but it also varies. For instance, some of our members come from **countries with minimal local production**, so **the focus on overproduction might not be as relevant to them**. It's essential to consider these issues from a national perspective, as the **situation differs widely across Europe**. The question is whether there is a truly 'European' film that can be made and supported by MEDIA, given the **varied needs and capabilities of different countries.**" (Int. 41)

**A European, rather than a regional or a national problem**

This aligns with statements from senior professionals in smaller markets like Flanders (where, on average, only 14 feature films have been produced annually over the past few years), who contend

that **overproduction is more of a European problem than a regional or national one**. In contrast, both producers and policymakers emphasise the **need for more Flemish content**, citing low production volumes, the strikingly limited budgets of regional film funds, and the challenges producers face in securing financing for their films. Similarly, the head of KFD (Int. 24), the Belgian distributor and subsidiary of the large international operator Kinepolis, highlights the importance of, and the **need for more Flemish films**: "As Flemish film continues to do well in theatres, for us it is fortunate that we distribute 80% of Flemish films," and she adds: "If those Flemish films were to disappear, I think it would be very difficult for us."

The head of the Danish film fund (Int. 44) takes a similar stance when discussing the EFI's high production volumes. While acknowledging the issue, he highlights how overproduction reflects **underlying regional and national dynamics**. "Currently, **there's an overproduction of films in Europe**, with an estimated 2,400 feature films slated for production this year," he explains. "**However**, many of these films are not necessarily based on their artistic or commercial merits but rather on **their potential to generate economic activity in specific regions**."

**Overproduction as a sign of a patchwork of flourishing markets?**

From this perspective, overproduction should perhaps not be viewed as a problem but rather as a **result of flourishing regional and national film markets**, highlighting the growing professionalisation of the EFI, not only in the big film production countries, but also in other markets. In these dynamic markets, direct support mechanisms, fiscal measures, and commercial "economic activity" contribute to an increasing output. Overproduction, therefore, can be seen as an asset rather than a problem; or an outcome of Europe's patchwork of diverse markets, each shaped by its own distinct economies and policies aimed at stimulating national or regional audiovisual industries.

Another reason mentioned for explaining overproduction is related to the **introduction of several tax-shelter legislations and tax rebates**. However, even with a diversified set of support mechanisms, **film producers in small markets** still **struggle to obtain adequate production budgets**. When asked about the importance of the tax shelter mechanism, a senior Flemish producer (Int. 35), who has been successful with international film productions, notes that it remains extremely challenging to secure the necessary funding in the domestic market. He explains, "tax shelter is a form of residual financing, so you can't make a film with tax shelter alone." He argues further that "you have to have a film that is already 70%-80% financed somewhere and then come here for a piece of the spending," concluding, "**tax shelter is not a reason for the overproduction**."

**Paradox and complexity of overproduction**

The paradox and the complexity of overproduction reveal themselves also as independent producers tend to be more nuanced in their evaluation of the situation: "**It is interesting to see who says that there is excess production**. Because, for example, in other [economic] sectors, I don't hear that there is overproduction" (Int. 17). This representative of the producers in Catalonia elaborated on an opinion that seems to contradict production support policies, usually more interested in focusing on more ambitious projects: "We are in favour of a great variety in the production, we are in favour of not concentrating aid or financing in a few companies and in a few projects; the more production companies that can benefit [from aid and funding], the better for them to carry out their business or cultural projects." Indeed, some voices expressed their doubts about the necessity of intervening in the production, while the arguments were not really developed: "**It does not seem to be a problem if you accept that you cannot control everything**" (Int. 47).

During the interviews, other reasons for overproduction (or the EFI's high production volume) were identified, including technological factors. The significant increase in production volumes, both in Europe and worldwide,[31] is often linked to **digitisation processes**, which have resulted in the production of not only big-budget films but also **lower-budget projects**. Digitisation has "unleashed a large number of very low-budget movies that attract little commercial attention (i.e., the 'long tail')."[32] In other words, new technologies have made it much easier to produce films with smaller budgets.

**Comparing the US and Europe**

In this context, several of our interviewees highlighted the **well-known disparities in production volumes and budgets** between European and US films. While US films generally have much higher budgets across all categories (e.g., production, distribution, marketing), the volume of US film production tends to stabilise. In contrast, since 2008, the EFI has surpassed US production volumes and has seen significant growth. When asked about overproduction, the head of market research at the EAO (Int. 36) cautions that one must be careful when comparing film production data across major territories like the US and Europe, without also considering the differences in budgets. From this perspective, the real issue is less about the volume of films but more about the hard realities of

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[31] See the EAO's yearly Focus reports, summarised in longitudinal overviews in Biltereyst & Cuelenaere (2021): 20-27.

[32] Benner, M.J., & Waldfogel, J. (2020). Changing the channel: Digitisation and the rise of "middle tail" strategies. *Strategic Management Journal*, p. 1.

**budgetary limitations** (especially in smaller and medium-sized markets), **lack of substantial promotional budgets**, and the fact that overproduction is not reflected at the **box office and in market shares:**

> "when you look at the growing number of films, you have to see that it's specifically the number of documentaries that is growing, and this is a very peculiar category of low-budget films and which indeed doesn't represent much from the box office side, but still manages on this low-budget scale to get funded."

At the core of these arguments on overproduction (or increasing film production volumes) one tends to see the traditional tension between, on the one side, a **model that highlights cultural diversity** as the main asset of the continent's film industry and, on the other side, its **difficulties to connect to broader audiences across regional and national borders**, and to ensure its sustainability**.**

## 4.2. American dominance, conglomeration, and mid-tier producers threatened

**US dominance, defence mechanisms and policy**

Elaborating on the issue of **structural changes and shifting European film and audiovisual market,** interviewees frequently addressed the **enduring dominance of Hollywood,**[33] which some described as the **elephant in the room** that one is forced to face to understand the current state of the EFI.

Some interviewees stressed the necessity of looking at recent trends within a broader **historical framework**. The CEO of one of Europe's largest cinema chains (Int. 28) even goes back to the post-war era "when Europe decided to support its own film industry," while adding that "without that support, I don't think it would have succeeded." For most of the interviewees, Hollywood cinema continues to appear as the **'symbolic other'** that looms over the transformation of the continent's industry over the last seven decades, an "**elephant in the room**" (Int. 27, Int. 52) rarely directly addressed but nevertheless very present. For a representative of a film festival (Int. 10), "the price

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[33] See in relation to 'Hollywood' dominance also Chapter 5 on distribution and Chapter 6, more precisely § 6.2, for a discussion on how interviewees discussed Hollywood dominance in the theatrical film market.

of the liberation of Europe" after WWII was still to "be invaded by American films and by American culture for years."

The long-term consequences of this process are the necessity of European countries to develop mechanisms of defence for their industries (funding and aids, tax schemes, etc.) and cultural interests. With limited results. In this general framework, as an important Danish film producer (Int. 55) stressed, "European efforts to **promote local cinema**, such as **funding schemes and regulations to include European content**, have **not fully countered Hollywood's influence**."

However, while the trope of Hollywood dominance has often been problematised in academic and policy discussions about the **competitiveness of European cinema in negative terms**, it was notable that most interviewees, especially in the production and exhibition sectors, discussed these matters in a **less critical tone**. Many highlighted the **resilience and distinctiveness of European cinema**, as well as the **opportunities presented by US competitors**.

From the perspective of film production, highlighting European diversity seems to connect industrial and cultural concerns. But there were also strong voices that defended the emergence of larger European players and, more generally, **growing market concentration, in order to effectively face the current market challenges**. This reads as a reaction to the already commented **fragmentation**, which is usually seen as a **reflection of Europe's cultural and industrial diversity, but also as a hindrance to its competitiveness**. Thus, while the rise of more robust European companies in the filmed entertainment sector was largely applauded, some interviewees expressed concerns about industry consolidation and the bipolarisation of the market. They cautioned that a context increasingly dominated by a few large companies, alongside numerous small players struggling to survive, risks eroding the "middle ground," potentially leading to its complete disappearance.

Mid-tier producers (and therefore mid-tier films) seem to be the endangered species left behind by this transformation, which leads to a **concentration of power among large, dominant, usually global players or at least European conglomerates with a lot of bargaining power.** While this trend seems to have accelerated in recent years, it also points towards a transformation already in the making since the 1990s. At the same time, its evaluation is still ambiguous. A Belgian senior arthouse distributor said:

> "When I went to Cannes in '94 or '95, it was clear that we were at the end of an era and at the beginning of a new one. With only $1,000, I could even buy two films, which marked the

beginning of the market for American indie films. **The market for successful European cinema started with a consolidation process where companies ate each other**. This consolidation left a fallow field. [..] There was nobody there anymore." (Int. 19)

In this process, the ownership structure became more complex and now foreign-owned companies, particularly those from Anglo-American and French origins, have significant stakes in both traditional television production and streaming content creation. The new environment seems to lack personal contact: **"**Fifteen years ago, if I negotiated a contract with a producer, that producer still held considerable power." (Int. 61)

**Conglomerations and the disappearance of mid-tier producers**

Industrially, these were also the years marked by the **rise of large European conglomerates**. "Well, there are examples such as Polygram, right? For many years they have done a lot of good." (Int. 58) While not directly advocating the creation of big European conglomerates that would endanger the fertile ecosystem of smaller companies, one of the interviewees (Int. 33), a film distributor with good connections with his independent European peers, pointed out that: "**we need strong representatives in all sectors; strong producers, strong exhibitors, strong distributors, strong international agents**." He was not alone with this assessment, which was usually shared by producers, distributors, policymakers etc. (see Int. 9, Int. 28, and Int. 2) This potential realignment of the European film industry around big companies is seen as key to address the question of its competitiveness by also readjusting its production figures.

While this logic may make sense economically for some companies, it also contributes to what some interviewees perceive as a structural challenge for the market: the **gradual disappearance of the middle class and its mid-tier productions**, along with the industrial and cultural richness they once represented. When asked about one of the biggest changes in film production, a pioneer in the 1980s and 1990s professionalisation of the film industry in Belgium (Int. 42) noted that even in small markets, massive **concentration processes** have completely altered the landscape, leading to the decline of mid-market **"boutique" production** firms like the one he once ran.

"In the film industry, you currently see a division. On one side, you have major players like [production companies] Studio 100, Woestijnvis, and Eyeworks (now an American company), while smaller players struggle and are highly dependent on the success of one or two films. **There seems to be little middle ground, and a divide between large companies and smaller, dependent producers**." (Int. 42)

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## 4.3. Losing the voices or finally finding a loud one? On the impact of streamers

**Opportunities and challenges**

These discussions on major structural changes in the film and audiovisual production market were closely linked to another major topic in the production interviews: **the impact of streaming platforms, especially after 2015.** None of the interviewees doubted its relevance, and many **see it indeed as a central milestone to understanding the current industrial framework.** Beyond the potential erosion of the theatrical film experience and the broader impact on the film exhibition sector (see Chapter 6), interviewees pointed to trends such as **streamers' increasing focus on series over feature films**, **rising budgets and wages**, and the **threat to European producers' creative autonomy** as decisions are made on a global scale. A senior professional working in a prominent Belgian entertainment company, primarily known for creating children's television shows, films, and stage productions, noted that streaming services like Netflix and Amazon Prime Video "play a larger role in film financing, and though these platforms **provide new opportunities**, they **also create challenges**, such as competition for funding and a shifting landscape of content production." (Int. 16)

A representative of national distributors in Spain expressed herself in similar terms: "**The arrival of platforms has brought much more money to Spanish cinema**" (Int. 5). Spain may have especially benefited in this regard, as Netflix announced in 2018 that it was opening its first European production facilities in Madrid; but change was happening all over Europe, dramatically changing the national industries.[34] "Streaming platforms like Netflix have brought significant investments into Danish film production," commented one of the interviewees, while also highlighting its consequences on production trends: "**their focus often leans more on series than feature films**." (Int. 8) Hence, for some of the interviewees the streamers' impact had to be read in even bigger terms: "**It's almost an ideological clash between two distinct business models**: the traditional cinema and streaming platforms" (Int. 13). Going back to Netflix's decision in 2018 to establish its

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[34] On the impact of streamers on the Spanish audiovisual market, see: Albornoz, L.A. & Gallo, P. (2024). Global SVOD Services in Spain: The Availability and Prominence of Spanish Films and Other Audiovisual Works, pp. 109-130 in Ch. Meir & Smit, R. (Ed.). *European Cinema in the Streaming Era: Policy, Platforms, and Production*. Cham: Palgrave Macmillan.

first European production hub in Madrid, it has been interpreted as "**a real sign of respect and a sign of confidence in Spain and Spanish industry and I don't think that can be undervalued.** [...]. You make something with Netflix or you sell it to Netflix and it's suddenly distributed around the world, right." (Int. 39) For national film industries, the change was taking place on **many levels.** Streaming services such as Netflix and Amazon Prime have **driven up budgets and wages,** thus making it harder for traditional support schemes to sustain low-budget projects.

Similar mixed analyses were made in the other focus territory, the small regional market of Flanders. One senior producer (Int. 35) noted that streamers have had a "positive effect" and "changed the landscape in recent years," primarily by "undeniably [**bringing in] additional funding**." However, he also observed that "on the other hand, [they have] been **eating up the DVD market,** for example." For a small market with a **minor language** (Dutch), working with streamers had a key impact on the i**nternationalisation of the Flemish and Belgian production sector**:

> "They are also kind of important to us because **non-English-language films and series are more easily watched** than in the past. (...) There was a time when 'non-English-speaking' content automatically meant niche. (...) So that does open up opportunities for us, I think, as a small language area. So that's good." (Int. 35)

**Different business models**

Streamers are totally different, stressed some interviewees; "everyone has to defend his interests, each one in his own field" (Int. 58). Although the products may be similar, their **business models are still fundamentally different**, argues a Belgian expert who works as an international cinema adviser (Int. 13): "In cinema, success is measured by box office revenue, while streaming platforms focus on subscriber counts, which primarily influence stock market performance and investor interest." "Surely it has a **different operating model**," "it's **another world** and **another way of working**," "you need **another, bigger structure**," a Belgian producer (Int. 35) notes, and he continues that "if you choose to do cinema, then **streaming and TV are a kind of additional sources of funding**, **in an underlying window**. Then you're in a completely different constellation anyway."

This line of argument about the intrinsic differentiation served some stakeholders to defend the weight of the **theatrical experience** in very broad terms that may apply to big commercial blockbusters but not to more independent productions: "If you want to make actual money, you need

box office. Films like *Dune* [2021 and 2024] and *Barbie* [2023] have shown that theatrical releases can be far more profitable than streaming" (Int. 13).

Streamers also (further) **question traditional distinctions between cinema and audiovisual,** they have also been key in **shaping a new industrial landscape**, in which it seems **difficult to understand national film markets as separate entities**. For local productions, this may provide the possibility of finding a global audience, but it also means accepting that they are rarely the ultimate decision makers. Those working for international streamers are usually subject to **decisions made at a global level**. An executive of the Danish producers' guild (Int. 55) notes:

> "For example, when **major streaming companies re-evaluated their production strategies**, it led to the **closure of local production facilities** in several countries. This global influence can be seen in how streaming services prioritise content from larger markets while local production may be sidelined."

They tried to cope with some of the challenges posed by the new industrial landscape, while they also sought to shape its development: "Recent changes in media regulations and increasing **regulatory pressure have increasingly forced [international streamers] to contribute to the local market**." (Int. 16) However, European producers still seem to be concerned about the non-expected consequences of these regulations. Regarding the 2018 Audiovisual Media Services Directive, which obliged international streaming services to finance European productions directly or indirectly, concerns have been raised about their new industrial presence influencing the direction of the industry "from within"—specifically at the commissions and desks with decision-making power. This means that **major US streamers** are no longer merely involved in Europe's film and audiovisual productions; they **have become significant (co-)producers on a supranational European level and are now participating in subsidy programs and other public support mechanisms**. Or as the general delegate of a European producers' organisation (Int. 51) metaphorically puts it: "**Now, we have the wolf in the house.**"

As in other areas already explored by this report, this view (that basically reflects the interests of national independent producers), contradicts other opinions by distributors and exhibitors, which have benefited from the enduring popularity of international productions. Representatives of the Madrid Film Office (Int. 60), a public agency specialised in the promotion of Madrid as a production hub, were especially **optimistic in their assessment of this development**, while an international film producer (Int. 58) considered that the presence of big companies such as Netflix may also have very positive consequences as it can provide financial backup in an extremely competitive industry.

**COVID-19 pandemic as a milestone**

The impact of the COVID-19 pandemic was understood as a further milestone in this transformation that established streamers as national and continental key players. As seen in the following chapters, the impact was considerable in distribution and exhibition, but from the perspective of the producers it also further cemented the importance of platforms. Or as a Spanish producer and distributor (Int. 58) notes:

> "We could **withstand COVID safe and sound because we have made three series with Netflix**. I'm going to be the last one to speak badly about the platforms, because they provide **stability to the entire sector**,"

Other stakeholders also valued very positively the market stability provided by the new production interests (series). **The streamers' relevance is especially high in the generation of industrial spillovers:**

> "Now there are large groups that have their own people, that train their people, there are great professionals on the platforms. Thanks to the platforms, in the last six, seven years there are film professionals in each area [of film production]." (Int. 58)

Beyond the industrial concerns, there is also a cultural, somewhat paradoxical, interpretation of these developments. In the conversations, producers have usually mentioned the fear of **losing their voices**, as the influx of money from streaming platforms seems to have shifted the dynamics of companies and these grow increasingly focused on creating content for larger, often foreign-owned, conglomerates. Local production companies have thus usually "become more like **service providers**, catering to the demands of streaming platforms rather than focusing on creative independence," as noted by a senior policymaker representing regional film funds across Europe (Int. 4). In Spain, a very critical voice (Int. 25) lamented how, in spite of the boost provided by the streamers' investment, fiction production companies "are in a state of decline: **they are doing service**, that is, they are working for international production companies or for Movistar or Netflix."

**Streamers and the role of the independent producer**

The more critical voices among the interviewees even questioned the producer's role in this scheme, or at least its lack of identification with a very European (as independent) understanding of it, which is still seen as related to keeping artistic, financial and legal control of the film. As one of the interviewees lamented, if one follows the new working dynamics, "you are not responsible for the

final completion, I mean financially speaking. **That's another job**. That's not bad or good, it's just different." (Int. 51) Even in Spain, where due to the recent investments of global players the general tone is positive, some interviewees express their concern about the kind of work that is being produced and the kind of stories that are being told under these changing circumstances. "**They [streamers] are not interested in their own Spanish production, it is a foreign production and you do a service [...] We have to be well aware of what we are doing."** (Int. 17)

Some independent film producers seem especially concerned about this development, about losing their own agenda and blamed it on groups whose interest do not represent the industry as a whole: "**I don't know if there were certain lobbyists very close to certain communication and production groups that had a political lever that they used to achieve this"**(Int. 58), that is, attracting international productions and providing them with attractive tax conditions. The **sector's independent production considered that they usually do not have this lever.**  It is illuminating to compare the reactions coming from a large, and very atomised industry, like the Spanish, with those of the Danish national film market. There, conflicts between various stakeholders arose as they (producers, directors, actors' unions, and streaming services) all negotiated independently their position in this new industrial environment: "However, **the government eventually intervened and brokered an agreement**. Now, streaming services either pay a cultural tax or invest more in new Danish productions to reduce the tax burden." (Int. 8) But it is equally illuminating to contrast these opinions with a third one, that focuses its attention on the general guidelines of the EU policies and stresses that addressing streamers as just another player on the production field may not be enough to comprehend their impact: **"the commission, in its ultra-liberal vision of the sector, is making no distinction between telling a story and broadcasting it."** (Int. 51)

**Market size and economic profitability**

In relation to these companies and the local productions, there also seems to have been an interesting evolution. For some stakeholders, the original fear about their impact on cultural diversity has now turned into a more nuanced view that highlights the 'glocal' approach of the international players: "If you offer Netflix a project here, they'll say: **'That's far too international for us; we want local topics.'** So, you think: 'Oh, an international topic, we'll approach Netflix." And the first thing they say is: 'Yes, but if we were to do that, we would want six tattoo artists from the local area so that we can score with our local audience.' **So, you're speaking with an international player, but they reason almost more locally than your local players."** (Int. 35).

In fact, companies like Netflix have begun to adapt, investing increasingly in local content and respecting regional window rules. This adaptation, in countries such as France, **"is not just compliance but a strategic move to tap into the rich cultural tapestry of Europe**, where a film can be a hit in one region and unknown in another, reflecting the continent's diverse and multifaceted nature."** (Int. 13) A usual trope in the conversation about streamers emerges in these considerations: **global VOD players understand the European film industry better than the local players** as they have a more general view of its developments as well as specific data.

However, the narrative of streamers as entities that understand, respect, and even foster European cultural diversity has clear limits and has recently begun to show noticeable cracks. This is not only the case for **smaller territories and language areas** like Flanders, but also for **larger territories like the Benelux** where producers are finding it increasingly difficult to sell ideas and scripts with a regional or national flavour. This trend became evident after streamers adopted a more stringent policy in the last few years "because **they do think in big blocks,**" a Flemish producer (Int. 35) notes, "and actually, we fall between them, as the Benelux." "It is **mainly Spanish and UK projects** that they invest in and **in the Benelux, there is relatively little investment by the big streamers**, so that is the problem." This **hierarchy, which is clearly linked to language and market sizes,** also applies to minor blocks like the Benelux or the Dutch-language market:

> "They actually **operate with a very local focus**. They aim to **anchor and profile themselves locally**, but because of this, when we talk to Netflix, we are suddenly grouped with the Netherlands. As Belgium, or specifically Flanders, we are **largely overlooked**. When we engage with Netflix, it's through their office in Amsterdam, which oversees the Benelux region. Their perspective is primarily centred on the Netherlands. If they are looking for Dutch-language content, it has to perform well in the Netherlands first. The six million Flemish viewers? Well, they're considered part of the equation, but clearly not the priority. Additionally, I often have internationally inspired projects with very global themes, and people assume: "Ah yes, you can pitch that to Netflix." But even then, it's not necessarily a straightforward process."

It ultimately comes down to **market size and economic profitability**. "They don't target every small market the size of Flanders—that's just the reality," and "let's be honest: six million Flemish people? They just don't care" (Int. 35). Similar post-COVID euphoric sentiments about the opportunities offered by streamers are echoed by another prominent Flemish producer (Int. 12), who has a very long track record in film and TV fiction production and now works for Eyeworks (part of Warner Bros). Sharing his experience of trying to secure funding for a major film project, he expresses his

disappointment: "Netflix has looked at our story and decided that the story is too Belgian to be of international interest, and unfortunately, I can't get funding because there is no foreign streamer that sees potential outside of Belgium—Belgium is simply too small to justify a significant amount of money for territorial distribution alone."

Reflecting on the developments of the last three decades or so, the producer looked back at the **mid-1990s to the early 2010s**, when, thanks to regional film policy initiatives and the growth of commercial television, the Flemish film sector gradually **evolved from a fairly artisanal film industry** into a **strong film and audiovisual industry**. For a while, the **streamers** provided an **additional boost**, but "that momentum has now subsided," and the **initial euphoria has been replaced by uncertainty and nervousness.**

This diagnosis of a **negative "perfect storm"** was shared by other stakeholders, such as the executive producer (Int. 66) of a major audiovisual company that for years combined film production with television and advertising work. In her analysis, the producer pointed not only to the growing difficulties of securing funding through the tax shelter and major streamers but also to increasing competition within the production sector and the growing demands of TV channels and broadcasters, which themselves are grappling with budget cuts. While public broadcasters are facing declining financial support from the government, commercial television channels are being hit by falling advertising revenues due to the growing share of online advertising on social media, "**a significant portion of which flows to the US and cannot be used by the Belgian audiovisual sector.**" When asked whether the production company still **focuses on film**, she responded that "although we would love to do more, **we have become much more selective** in this area." She added, "while **cinema** remains **the 'sacred place,'** it is an **inherently difficult market** and requires a completely **different approach**, where you **need to emphasise the 'must-see' aspect and the 'uniqueness' of your product**—or perhaps even the exact opposite: The successful Belgian-Dutch crime series *Undercover* [2019-21], which we made as a co-production with the Flemish public broadcaster (VRT) and Netflix, was turned into a prequel film, *Ferry* [2021], and it was a success."

**Genres and formats other than the "one-off" film**

While the impact of streamers created a growing interest in **series**, the trends over the last few years highlight the relevance of **reality shows, sports and other formats and genres**: platforms prefer to invest in them because films are perceived as having "a **one-off impact.** Films often serve as a means to promote directors rather than being viewed as significant content themselves." (Int. 47)

"Streamers have experimented with big blockbusters to launch themselves, such as *Napoleon* [2023] for Apple," a media scholar (Int. 34) argues, adding that "the question, however, is **whether streamers are really interested in movies as stand-alone products** [because] it depends on the mode with Netflix being genuinely interested in content and movies, while Apple and Amazon use **movies and sports as a kind of Trojan Horse to draw people to their other products**."

The shifting focus **towards sports and non-scripted content** will likely result in "decreased activity in films and scripted TV series. The streamers are still obligated to invest, but they may allocate more funds to non-scripted and sports content rather than traditional drama and fiction." (Int. 55) For national film producers, having as co-producer what basically is a distribution company, thus bears the risk of losing its support if its interest shifts to other kinds of material.

The transformation of the market seems to have reached a new stage, "emerging from the bubble created by heavy investments from streamers," (Int. 55): "**platforms seem to be stepping on the brakes.** Recent developments in the streaming industry, with major players such as Netflix, Amazon, Disney, and Videoland investing heavily in content, have led to a kind of streaming war. However, these platforms, apart from Disney+, are undergoing a reality check and are becoming more critical of their investments, needing to ensure returns for shareholders." (Int. 53)

**Streamers, creative autonomy and the aura of film?**

These issues of formats, genres and the relationship between European producers and streamers are closely linked to another important and delicate topic: the matter of **creative power, artistic autonomy, and authorship**. A representative of French and European producers (Int. 51) argued that by working for streamers, film producers risk not only becoming mere service providers but also **losing their autonomy and creative power**. Reflecting on his experience working in cinema, television, and with streamers, a Belgian producer (Int. 53), who values the concept of 'authorship,' highlighted that a director's creative influence and "freedom" often hinges on the "final product":

> "**Film is usually the freest format**. There, the personality of the author or authors is at its greatest. TV is much more formatted. **Streaming is also often reasonably formatted** anyway. So, film offers pretty much a zone where the personality of the 'auteur' is most facilitated and where unique voices are also most sought after. So that gives film still a special 'cachet' and many filmmakers or people working in the audiovisual sector, both screenwriters and directors, **aspire to be able to make a film**."

Other interviewees are less convinced about the **persistence of the idea of the "aura of film"** and the clear-cut distinction between cinema and streamers, instead referring to a **zone of mutual influence.** A representative of Europa Cinemas (Int. 26) notes: "Many **directors** who might have previously focused solely on films are **now drawn to the series format**, which offers different creative opportunities and the **potential for extended storytelling**." This also creates a reverse influence, from streamers on cinema: "The rise of streaming series has had a **significant impact on the film industry**, particularly in terms of **directing talent and film length**." Arguing that the length of films has increased as a result of streaming series, "directors with experience in series often bring **longer, more elaborate narratives to their films**," which does "not necessarily equate to better quality [but] this simply reflects a trend influenced by the series format, and audiences may find it challenging to commit to three-hour films."

Streamers have also transformed the TV series format and, in some ways, were influenced by films, as a producer (Int. 53) explains: "At some point, it was said that **series were the new films**, in the sense that viewers no longer want to commit ten or twenty hours of their lives to a series." And the interviewee added, "Now, it's no longer ten episodes but four or five, often miniseries of 30 minutes or so—**essentially, a long film**."

However, when discussing this intriguing **creative zone between cinema and streamers**, senior professionals cautioned **against excessive optimism**. "There is indeed **a sort of convergence**, or a blend, yet a film and a series for a streamer are still two different things" (Int. 53). "There is no artistic choice, nor a financial choice, and the producer is just there to serve the Americans" (Int. 51). Working for major streamers often entails **pressure to conform to mainstream storytelling**, accompanied by a **loss of creative autonomy** because "**they very much think from the perspective of the small screen**, (..) and **they want to keep the viewer as long as possible.** So yes, **this plays against the one-off, the film**." Examples of reputed directors who made series for streamers, or whose films were (co-) financed by them, were often disappointing in terms of the robustness of their own creative voice:

> "Okay, so you will say: oh yes, you have the Scorsese film. Okay, Scorsese is one film and you have one every year. Before it was the Coen brothers… It's complicated to say, but they are not the best. (...) Even *Roma*, you know (...) I'm just saying that we must not focus too much on these films that are okay, but not great. And also, they are the signature of directors that have confirmed, and who have made them what they are, and it's not Netflix, okay? First,

and second, it's one film out of so many mainstream films, out of so many **mainstream films**. As we say in French, 'l'arbre qui cache la forêt'." (Int. 51)

Things might become even worse with **AI**, some interviewees claimed, especially in Hollywood and with the streamers. The professionals discussed the many ways in which AI is already playing a transformative role: from scriptwriting and other aspects of the creative process in film production and postproduction, to streamlining workflows, distribution, marketing, and audience engagement. Beyond the ethical considerations, the primary concern surrounding AI revolves around its impact on job security and the rights of those involved in the creative aspects of the film industry, particularly authors' rights:

> "How would I make the difference between a synthetic film and a human film? How would I say this is creation and this is industry? How will I do that for the future? (...) How do you make the difference between deep fake or not? And you know, the result is not that good, of course, because there had been such a strong lobbying from the MPAA, to tell you the truth, from the Motion Picture Association of America." (Int. 51)

On a more general level, some interviewees warn against the fact that streamers have become economically and strategically more pragmatic, and are becoming **less interested in the one-off product**: "While streamers are easier to negotiate with for funding, and currently have significant influence and funding capabilities, it's uncertain how long this will continue. (...) The **long-term sustainability of their current approach** is unclear." (Int. 26)

## 4.4. What is a producer?

**More difficult and complex**

As we have just seen, the arrival of streamers has usually meant for local producers **adjusting to other types of productions, other working conditions, changing thus his own role** within the industry. But this transformation also adds to other factors such as technological development, growth and diversification of financing bodies since the 1990s, or the relevance of international co-productions. As a whole, these market readjustments sometimes feel as a **loss of power.**

The general sentiment is that the j**ob has become more difficult and complex**. A national exhibitor, distributor and former producer with more than four decades of experience commented in this

regard: "Now what bothers me is that I don't know who has produced a film." (Int. 38) Too many opinions may, in his eyes, endanger the creative process. In his eyes, production has become in many cases a very different job than the one he used to know. Producers now "**are really financiers, which is a different thing. They have invested in a film, but they are not film producers**. [In contrast] I always refer to Elías [Querejeta][35] because he has been the best producer in the history of European cinema. The bastard [sic!] was never wrong. And besides that, everyone respected him." (Int. 38)

**Financialisation**

Besides this personal evaluation, one stakeholder with years of experience in national film funding pointed out *how* the job has completely changed. Producers must now bring together different sources of funding, and they also have to be aware of repayment obligations and how state aid rules work. Financing is however only a part of the job, as managing (often international) teams and taking responsibility for creative decisions are still priorities. (Int. 9) **Securing financing has become if not directly more difficult, surely more time consuming**: "financing plans have become now much more detailed and complex" (Int. 52), which also contributes to dramatically changing the role of the producer: "Today I see few boutique producers like the one I used to be," commented a Belgian producer who somehow echoed the concerns of his Spanish colleague and dwelt on a market lacking mid-tier companies, which are "mostly by big companies and smaller players fighting for survival" (Int. 52).

The producer, who is still considered the person putting together the working teams, is very weakened in this new financing model. One of the interviewees indicated that one of the solutions seems for producers to diversify. "Pure film production is very difficult because of all the risks and challenges. They have to move towards series and other forms of production.[...] Series offer more stability and predictability than film production. The financing model for TV is different: you get a predetermined budget with a margin to make the production, which provides a more stable working environment." (Int. 9)

While this general criticism is at first in line with the transformation of a **certain idea of European arthouse cinema and its gradual integration in the contemporary media conglomerates**, ("where people in charge of cinema are not really interested in it," Int. 38), platforms are usually

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[35] Elías Querejeta (1934-2013) began his career in the 1960s and was the producer of films of, among others, Carlos Saura, Víctor Erice, Manuel Gutiérrez Aragón and Julio Medem.

discussed as central in this process. Again, the evaluation is complex: "**The arrival of platforms like Netflix has led to a financialisation of the sector"**, but at the same time, as producers are usually reduced to service providers that "have little to no say in creative or financial decisions" (Int. 51). Historically speaking, this change may be seen as disruptive, but also as a **recuperation of an older production model as the streaming market works similarly to TV.**

**Streamers versus producers/authors**

A former CEO of the Netherlands Film Fund (Int. 9) indicated how, when working with platforms, producers receive a sum "that goes entirely into the production costs, so there is no post-revenue model." This 'TV model' also limits, in the eyes of the stakeholders, the need to actively intervene in the circulation and export of the product. "The funny thing is that we are increasingly moving to that model without changing the rules." (Int. 9) Applied to film production, this new model affects the central understanding of the producer's role—at least in its more independent, 'European' understanding of the term: "you used to sit at a negotiating table, **you had author versus producer and now it's author with producer versus channel**, who then really has to listen to the bigger players, so the market is really determined by dominant players, distributors." (Int. 61) Or as another interviewee puts it:

> "It's not the job of a producer as I consider it. We will consider being a producer when you are doing three things: you develop a film with the author, you are in charge of producing the film and you take the financial risk for this production, and you are in charge of finding the money. And then after, you are the owner of the film. **This conception is threatened and jeopardised by the arrival of the platforms in Europe.**" (Int. 51)

The shift from a model centred on the theatrical experience to one where streamers are central players fundamentally impacts the role of producers, as their share and decision-making power is significantly reduced. Paradoxical as it may sound, production depends increasingly on distributors like Telenet/Liberty Global. A media law expert defined it in the following terms: "Producers and broadcasters are left to follow the lead of these major players, financially and artistically." (Int. 61) "The emphasis has shifted to players at the end of the chain," continued one experienced policymaker: "That is indeed where the emphasis lies. **Previously, the emphasis was on creation and production, which had a much more direct influence on the contact with the audience.** Now there is a whole battery in between, while the risks still lie with the producers." (Int. 9) Especially from an industrial point of view, the consequences of this process seem to be however double-edged, as besides a possible loss of creative leverage, its impact is believed to be central to attract

foreign funding and thus increase the competitiveness of the national film productions and of the European market as a whole.

**Internationalisation** may be a good path to follow to increase industrial competitiveness or "to make Spain [attractive] as a location. I think that [streamers] is going to have a really big impact on not just the functioning of the Spanish industry but on the **kind of recognition**." (Int. 39) But this growth may take place only under certain, limited conditions—again related to the different understanding of the producers' role. In the Spanish context, where, as previously mentioned, producers have generally benefited from this development, some of them complain that the transformation has been more effective in attracting international shoots than in supporting their own production: "We **may indeed see who benefits from it… well, big companies,** Netflix or the platforms." (Int. 17)

This changing industrial landscape has also transformed the duties and responsibilities, margins and profitability of the sector: "If you are facing Netflix and Amazon, how can I have the ability to negotiate my terms and the terms of my contract? And that means, and also how can I finance the development of my business?" (Int. 51) This is a question of the power to make decisions. But it is also deeply related to the profits generated by these productions, as margins are being reduced "**The profitability of this activity is getting more and more complicated.** So that means that to make money from it, you have to make some volume," (Int. 51) which, again, does not seem like the best solution to face the issue of overproduction.

In this regard, one of the interviewees highlighted how traditional European co-production models still hold relevance "**for maintaining creative control and ownership of intellectual property."** (Int. 4) The transformation in the production structures can be felt in the pressing necessity of regulating long-term rights. Independent producers often criticise the buyout models of new global players because they can limit their control and future revenue from their work. At the same time, streamers are typically the only entities with the financial resources necessary to bring these projects to life. Remaining competitive against the pressure of streaming platforms implies adapting and streamlining the funding processes of public bodies or even reacting with bold solutions that may address the challenges more directly: a stakeholder from Europe Distribution highlighted, for instance, that as these productions benefited from European public money (funding, tax shelters), they might be subject to other rules, which could help recover the IP after a given time, maybe with "**a law that states that after five years you have the right to continue having the film.** They [may be] full financiers, but they have to allow that other people in other places can monetise, for the good of the producer and for the good of the work." (Int. 33)

## 4.5. Chapter conclusion

This chapter has highlighted the general growth of the production sector over the last thirty years, which resulted in processes of industrialisation, financialisation, and conglomeration. We emphasised the profound impact of the arrival of commercial television, the strengthening of policy measures, and the digitisation of all aspects of filmmaking, financing, and production. Additionally, we explored the importance of streamers, whose impact increased especially after the COVID-19 pandemic and is still felt very keenly by many of the interviewees; global VOD platforms have fundamentally reshaped the industry and transformed the role of the producer. The focus on Spain and Flanders also helped illustrate their different impact within the EU (and how they may even contribute to further delve into the differences among territories of the Union).

The importance of streamers has been particularly evident in Spain, where they have strengthened the film production sector and opened it up to the global market—effectively positioning Spanish cinema on an international stage. While the development was seen as very positive in industrial terms, some independent producers, policymakers and other stakeholders with good knowledge of the national market have however warned against its cultural effects ("losing our voices"), i.e. they expressed their concerns about reducing national producers to the role of service providers of global corporations.

The general trends and paradoxical interpretation also apply to the Flemish film production sector, where a "perfect storm" transformed it into a full-fledged industry between the mid-1990s and the 2010s. The arrival of streamers initially amplified growth and internationalisation, yet over time, it led to increasing disillusionment among producers. This discontent stemmed from a series of factors, including increased competition, difficulties to secure more funding from tax shelter, public and private broadcasters, as well as from the streamers' increasing focus on economic profitability and their geographical strategies, which ultimately reduced Flanders to being treated as part of the Benelux region.

# 5. DISTRIBUTION

> "*They dream of a European Netflix, but (...) this seems irrational because we don't share the same philosophy, and it's not something we desire. Do we want a European Netflix?*" (Int. 13)

"Distribution has become, more than ever, a 'very risky business,'" claimed one of our senior professionals (Int. 51). This observation about recent developments mirrors a broader sentiment shared by many interviewees[36] when contemplating how film distribution has evolved over the last three decades. In numerous instances, senior professionals highlighted the **constant state of flux** in the industry, where they were repeatedly confronted by technological, industrial, policy, and other changes that profoundly impacted the key parameters, strategies, and practices of film distribution. Obviously here as well, **digitisation** was mentioned as the key driver of change. It had many implications, including positive ones such as the **significant cost reduction** with the replacement of 35mm and other film with digital formats, or as a distributor (Int. 24) argued: "With digitisation, a copy costs the distributor practically nothing… you can start from week one in the smallest cinemas because there is no risk." Digital formats have enabled wider distribution, even to smaller cinemas that were previously not economically viable.

Alongside these technological advances, the core structure of film distribution and programming has capsised. Cinemas, now flooded with a wider array of films, increasingly prioritise mainstream entertainment, making it more difficult for independent and smaller distributors to gain access to screens. The rise of the **multiprogramming paradigm**—where cinemas screen multiple films concurrently—has **displaced the traditional sub-run system**, which allowed films to gradually build an audience over extended periods. This shift has limited the ability of films to grow by word-of-mouth, with exceptions like *Anatomy d'une chute* (2023) remaining relatively rare. Furthermore, the power imbalance between dominant (often US) distributors and smaller, independent distributors has become more pronounced.

Once primarily **gatekeepers for theatrical releases**, distributors now face the dual challenge of navigating **both traditional film circuits and the rapidly expanding world of digital streaming**

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[36] Of the 68 interviewees, twelve were primarily active as film distributors, four working mainly in the Belgian territory, five in Spain, and three representing supra-national European associations.

**platforms**. This shift has introduced new opportunities for reaching wider audiences, but it also poses the risk of films getting lost in the vast catalogues of streaming services. Despite these new avenues, distributors still play a crucial role in **curating and promoting films**, often investing in projects based on scripts alone and providing financial stability to productions. However, the unpredictable nature of film success persists. Even well-reviewed films can fail to find an audience, and the decline of DVD sales has only increased the pressure on theatrical releases to perform well in a highly competitive market.

**Independent distributors**, in particular, face difficulties securing the necessary financial support to navigate these challenges, often finding themselves up against not only other small players but also powerful studios and streaming platforms. Distributors continue to be passionate about their work, adapting to changing circumstances and striving to bring diverse films to audiences. While EU policy was also set up to support distributors tackling these issues, our interviewees express **concerns about the current body of European policies**, particularly regarding the allocation of support and funding. They argue that the f**ocus on production over distribution** neglects the crucial role distributors play in bringing diverse films to audiences. Independent distributors, often small to medium enterprises, feel the strain of intense competition and limited financial support. Distributors highlight the need for a more holistic approach to policy that includes reinvestment in the acquisition of non-national European films. They call for European policies that genuinely listen to and support the film sector, ensuring that independent distributors can continue to thrive and bring diverse cinematic experiences to the public.

So, there are many trends and shifts that film distributors need to consider today. This chapter highlights four of them in detail because they came up consistently in the interviews, but also because we believe these are the most pressing issues surrounding film distribution in Europe today. First, we discuss the transformative impact of digitisation on film distribution; second, we talk about how changing market dynamics show increased consolidation and financialisation. Consequently, we discuss the challenges posed by VOD platforms, and lastly, the prevailing importance of geo-blocking.

Before elaborating on these trends, however, it is important to outline the players active from the 1990s onwards in both territories, namely Flanders and Spain, to better understand the implications of recent trends and shifts. As **Flanders** represents a small regional market, distributors often acquire rights for Belgium and the broader Benelux region. In Belgium, before the advent of digitisation, film distribution relied on analogue prints, with a distinct structure that positioned

distribution as an intermediary between production and local exhibitors. This sector was composed of three main groups: a few majors, mainly American subsidiaries of Hollywood and other major American companies;[37] a few robust French distributors;[38] and a large number of Belgian players, some of which were to be categorised as commercial players (often distributing US films).[39] Additionally, there were smaller, independent distributors and arthouse distributors,[40] which contributed to the sector's highly fragmented nature up until the 1990s. The digitisation significantly altered market dynamics. Although the market structure persisted, fragmentation created challenges, particularly for smaller players. For the latter, questions were raised about the economic viability of niche offerings and the sustainability of smaller distributors in the face of changing consumption patterns. In response, some companies attempted to bypass traditional distribution channels by offering their content directly through proprietary streaming platforms. However, such efforts were mostly unsuccessful.[41]

In **Spain**, the distribution market was also dominated by international majors,[42] in what many observers see as one of the main obstacles for the development of the national industry:[43] both international blockbusters and Spanish commercial titles are usually distributed by foreign companies. Leaving aside the impact of streaming platforms, which will be analysed more in detail over the following pages, the transition to digital has altered costs, rhythms, and flexibility of the distribution process, but it has not shaken significantly this dominance of the foreign conglomerates over the national, independent companies. Over the last two decades, the growing collaboration between private broadcasters (Telecinco Cinema or Atresmedia Cine as film producers of yearly tentpole titles) with international majors (usually Warner) has also contributed to strengthening the difference between commercial cinema and mainly national and European independent productions, which still rely on independent distributors to reach their audiences. Digitalisation has also offered

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[37] American and French subsidiaries of Hollywood and other major American companies, such as United International Pictures (UIP), Warner Bros., and 20th Century Fox.

[38] French distributors like Gaumont and Pathé.

[39] Notable larger Belgian distributors included Belga Films, Independent and Kinepolis Film Distribution (KFD).

[40] Smaller, independent distributors included Progrès Films, Cinéart/cinélibre, Lumière, Paradiso Filmed Entertainment.

[41] As illustrated by the cases of MyLum and Studio 100 GO, these ventures faced significant obstacles in achieving sustainability.

[42] The Spanish subsidiaries are Paramount Spain, Sony Pictures Releasing Spain, The Walt Disney Company Iberia, Universal Pictures International Spain and Warner Bros. Entertainment España,

[43] See in this regard a recent evaluation in Lara, F. (2019): Distribución y agencias de ventas, pp. 293-322, in Carlos F. Heredero (ed.). *Industria del cine y el audiovisual en España. Estado de la cuestión. 2015-2018.* Festival de Málaga de Cine Español. To back up his arguments about the dominance of foreign players in the distribution market, Lara provides these numbers: only one of the ten most successful *Spanish* films of 2017 was distributed by an independent (that is, not part of a foreign major) company.

smaller players new opportunities to explore new formats (Int. 59), contributing in some cases to a further fragmentation of the market, but it has not particularly changed the general market dynamics.

## 5.1. The transformative impact of digitisation on film distribution

**Decreased copy costs, more on marketing**

The shift to digital cinema has had far-reaching impacts beyond just production, inducing changes from cost reduction to global accessibility. One crucial change was the disappearance of the high costs associated with physical distribution. As one industry professional (Int. 24) explained, **"the biggest upheaval in these years was the transition from 35mm projection to digitisation**. I remember when we were releasing *Dances With Wolves*, a very long film, and that meant we had to transport seven or eight huge reels every week from one cinema to another.... A single 35mm copy was an expensive business. You had to decide carefully which cinema would get a copy." This transition allowed distributors to bypass expensive logistics and release films widely from the start without the burden of physical prints. "Now, **with digitisation, a copy costs the distributor practically nothing**, so you can start from week one in the smallest cinemas because there is no risk" (Int. 24). This cost saving has democratised distribution, allowing smaller films to reach audiences they might not otherwise. Digitisation has also given cinemas unprecedented flexibility in programming, making it easier for them to adapt to audience demand.

> "You basically get a hard disk instead of a 35mm film. It became much easier to show content. You were not dependent on projectionists to put the film in a room. That room was not limited in what it could show because you could just upload films to a server and show any film you wanted.... If they see that a film doesn't work, it becomes much easier to change the schedule." (Int. 13)

This shift has also been observed in Spain, where the digital transition lowered barriers for entry into theatrical release. However, while digitisation expanded accessibility, it has also introduced challenges in navigating the increasingly crowded market. As one interviewee notes, "If we talk about performance in theatres, I think we are facing a great difficulty in finding the space. But **it is not only a space to premiere but also a space to promote"** (Int. 30).

With this flexible set-up, cinemas can quickly change screenings, a flexibility that was not possible with the 35mm format. This has also led to an increase in content production, allowing filmmakers to experiment and increase their output. "The digital workflow has led to a faster production pace. More is being produced than ever, in my opinion, and all those films want to go to the cinema" (Int. 64). However, this increased volume of titles has created a market overflowing with options, where only the most competitive can survive. As one Belgian distributor (Int. 6) explains,

> "**distributors are now spending less on physical copies and more on marketing**.... There is pressure to get audiences to the cinema as soon as possible. If a film doesn't do well in the first week, attendance drops quickly in the second and third weeks. So, although distributors spend less on physical copies, that money is often invested in marketing to attract audiences."

In 2023, for example, we saw the enormous success of Hollywood blockbusters *Barbie* and *Oppenheimer* (both 2023). Marketing strategies were important in the success of these films. By adopting a "breadcrumb" strategy, where small glimpses of the film were released over time to build anticipation, *Barbie* became a viral sensation long before its premiere. This marketing approach was strategically paired with extensive brand collaborations. Similarly, the "Barbenheimer" phenomenon, which emerged organically on social media, helped sustain audience engagement for both *Barbie* and *Oppenheimer*, despite their starkly contrasting tones.

Another Spanish respondent underscores the role of technology in shaping consumption patterns, noting the enduring relevance of traditional formats amid rapid technological advancements. "Technologies are changing everything, the way of consumption, investments, image qualities, etc. You have to be continuously updating yourself to see how it can affect the business or not, but at the same time be careful not to fall into passing fads. **Neither 3D changed the business, nor has virtual reality killed cinema**, and we will see how Artificial Intelligence is used. What we know is that old formats don't die so easily" (Int. 57). This reflection highlights the importance of balancing innovation with the preservation of cinema's core cultural appeal.

This intense competition has shifted the model towards a **winner-takes-all approach**, where immediate success is crucial to a film's longevity. Digitisation has further intensified the use of data-driven marketing tools, allowing cinemas and distributors to track preferences and optimise content distribution. The 'Cineville' model, implemented in Belgium and the Netherlands, allows a network

of cinemas to "share audience data related to subscriptions... cinemas observe audience preferences and adjust programming accordingly" (Int. 13).

**Piracy**

But while digital tools offer opportunities for audience insights, the industry has lagged behind in fully exploiting this data, often relying on "gut feelings about a film's success" rather than analytical insights (Int. 13). Despite the sophisticated tools at its disposal, the industry has not been quick to let go of analogue traditions, which affects how effectively it can compete in a digital, data-driven world. **Another complex problem that digitisation brings is the increase in piracy following digital releases**. With films easily accessible on streaming platforms, piracy has undermined traditional revenue streams. For example,

> "The first part of *Dune* was released on HBO a week after its theatrical release. People streamed it illegally on the day it was released digitally... this debunks the myth that piracy proliferates the most at the time of cinema release." (Int. 13)

At the core of this issue is **IPTV**, or Internet Protocol Television, a system where television services are delivered using the Internet protocol over a network infrastructure, which may include delivery by a broadband connection. A representative of the International Federation of Film Distributors' and Publishers' Associations (Int. 40 ) points out the alarming prevalence of such services, even in public advertising, and underscores the urgency of bringing piracy back to the forefront of policymaking discussions:

> "There are so many films available that one might wonder why people still resort to piracy. Unfortunately, people are always going to try to get things for free, even through criminal activity. **IPTV is becoming a big problem because it has a veneer of legality and enables access to content from around the world.** We're seeing it become more prevalent. The other day, in the centre of Brussels, I came across a poster advertising IPTV as if it were a legitimate business opportunity. We're conducting an investigation among our members into the state of piracy, and IPTV is garnering more attention and concern across various countries. What's really concerning is that, two weeks ago, you could find *Dune 2* on Twitter, the entire film, in good HD quality, not just shaky video cam footage. That's straight-up theft. **We're trying to get piracy back on the radar of policymakers.**"

Unauthorised distribution, including illegal downloads, streaming, and physical piracy, results in substantial revenue losses by competing with legitimate box office sales and streaming services. Independent filmmakers, who rely heavily on revenue from legal sales, are particularly vulnerable to these financial strains. These platforms allow users to access pirated content with ease, often bypassing regional restrictions or digital rights management (DRM) protections. For instance, websites like Popcorn Time or Stremio use torrent-based streaming technology to offer films and TV shows for free, making it difficult for authorities to trace and shut down these operations. The widespread nature of piracy complicates enforcement, and enforcement efforts vary across regions.

**Fallback of DVD sales and physical formats**

The decline of physical formats, such as DVDs, has been a direct result of digitisation. This transition was not only inevitable but transformative for both economic and cultural aspects of film distribution. As one industry expert recalls,

> "The DVD market was, for me, something different, perhaps the only time in film history when you had almost a transparent offering. You could, by the mid-90s, step into a store like Fnac[44] and walk out with the canon of European cinema." (Int. 64)

DVDs were also profitable: "**Economically, DVDs were real profit generators, engines for the whole film sector**" (Int. 64). However, this once-lucrative model has faced an irreversible decline, challenging the viability of physical formats in today's digital-dominated market. The shift away from DVDs has left distributors vulnerable: "The revenue model of DVD sales is disappearing, placing distributors in a difficult position if a film doesn't perform well in cinemas." (Int. 19).

Without the fallback of robust DVD sales, **distributors are increasingly dependent on a film's theatrical success** or digital licensing deals to recoup investments. This shift has added pressure to a **"winner-takes-all"** model, where immediate success in theatres or on streaming platforms is crucial for financial stability:

> "Yes, a film used to stay in cinemas for at least two months, not always in the same cinema, but still. Now a film is usually only in cinemas for a month, with the occasional screening here and there. **That is no longer a full-fledged cinema run, rather a quick cycle where you have to perform quickly**. All this has led to a situation where the 'winner-takes-all' mentality

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[44] Fnac is a French department store chain that sells books, CDs, DVDs, software and consumer electronics.

prevails, where films are given little time to grow. This is especially true for blockbusters, although even there many fail." (Int. 6)

The decline of physical formats also aligns with the rise of streaming services, which now dominate the market with their convenience and accessibility. As a representative of European producers highlights, "**the big shift has been the arrival of Netflix… Covid accelerated everything, even a 90-year-old woman can use Netflix now; it's so easy, so plug and play**" (Int. 51). This digital convenience has undercut the demand for DVDs, making them increasingly obsolete as audiences opt for the instant access that digital platforms provide.

## 5.2. Market consolidation and financialisation

**Consolidation**

Economically, film distribution has been reshaped by consolidation, financialisation, and the decline of physical formats like DVDs. As digitisation has **lowered costs and altered distribution models**, major players – especially American distributors – have moved toward consolidation, a trend that allows them to control a greater share of the market, reduce costs, and exert significant influence over distribution channels. "**We see a trend among Americans to group together**. Distributors are taking on a few other Americans and covering both Belgium and the Netherlands. This trend reflects consolidation to reduce costs." (Int. 24)

This grouping strategy helps these larger distributors achieve economies of scale, making it more feasible to distribute widely and control market dynamics, which smaller, independent distributors struggle to match. The Spanish market vividly illustrates these dynamics, as one interviewee (Int. 46) notes:

"One of the problems that exists in distribution is also atomisation [...] the most powerful Spanish films from the commercial point of view are not released by [independent, national distributors]. In other European countries, there are national distributors that distribute national films because it seems logical, doesn't it? Here, because of this atomisation, there are no large distributors as there were in the past. As in the French case with Gaumont, Pathé... they distribute French films. They have that ability to do it, but here that issue does not exist and therefore, those films go to the multinationals."

The reliance on foreign (American) studios to distribute Spain's most commercially viable films reinforces the power imbalance between multinational majors and local distributors. This imbalance not only limits the capacity for independent distributors to compete but also allows American studios to exploit national films to further their market dominance. As another expert with profound knowledge of the European distribution sector sharply criticises: "**It doesn't happen in any country in the world that the most commercial Spanish films are distributed by [foreign] studios, okay? So that's an atrocity. You can quote me: atrocity, okay?** [..] Majors even use commercial Spanish films to defend their product. [They say:] 'If you don't put this one on me, you won't have the next one by [the very popular] Santiago Segura'. It's the world turned upside down" (Int. 33).

**Financialisation**

The consolidation trend brings with it significant **purchasing and symbolic power**, giving these distributors substantial leverage over access to high-profile films and directors. As one interviewee (Int. 51) explains, "the difference between distributors from that time and now is that they are very much followed by the public. So, they have a lot of purchasing power. They have access to big directors. These directors are expensive, but still, the public is there to watch them. So, they **have political and symbolic power in the sector, in addition to financial power**. They are followed by the bank and so on."

This combination of financial backing and audience loyalty allows major distributors to dictate terms with cinemas and filmmakers, reinforcing their market dominance and making it harder for independent distributors to secure high-profile films without financial strain. Financialisation has further contributed to the concentration of economic power in film distribution. As financial markets [platforms] have increasingly invested in distribution, distributors are under pressure to meet profit expectations, intensifying the push towards consolidation.

> "**This arrival of the platforms has** also **led to a financialisation of the sector**, a very strong financialisation of the sector. The money from the financial market arrived. It has arrived because there were some profit expectations." (Int. 51)

This profit-driven approach often favours larger companies with the resources to meet these demands, while smaller players without significant financial backing face greater risks in competing. At the same time, the decline of physical formats like DVDs has exacerbated the challenges for independent distributors, who once relied on DVD sales as a steady revenue stream. "The revenue model of DVD sales is disappearing, placing distributors in a difficult position if a film doesn't perform

well in cinemas" (Int. 19). **Without this secondary income source, distributors must rely more heavily on the theatrical release and its immediate success.** This shift places additional pressure on distributors to secure marketing budgets and adapt to fast turnover, which is financially draining for smaller distributors without the support of a consolidated network.

This trend towards consolidation is reshaping the distribution ecosystem, impacting both large and small players. For instance, Cinéart, one of Belgium's notable independent distributors, recently sold a minority share to MUBI, an arrangement that provides Cinéart with necessary resources but also aligns it with a global streaming giant (Int. 6). Such partnerships are becoming more common as independent distributors seek to remain competitive in a market dominated by consolidated entities with larger budgets and market control. Although the market is somewhat fragmented—especially among smaller distributors who remain independent—the financial and structural benefits of consolidation are compelling. The influence of major distributors extends beyond economic power to a significant role in shaping audience access to films. In Europe, some smaller distributors still prioritise a diverse film culture, but they are increasingly pushed to partner with larger platforms to survive. As a representative of the European producers emphasised,

> "Distributors have a lot of problems. But well, it depends where. If you go to the French system, then they are very much helped… They are very much dependent on the subsidies given by the government because otherwise, it's too risky." (Int. 51)

In Spain and elsewhere, these dynamics challenge the sustainability of independent distributors, who must navigate a system increasingly skewed in favour of consolidated entities. Financialisation compounds this issue, prioritising profit-driven models that favour large-scale operations while sidelining smaller, less resourced players. Without intervention, the concentration of power among multinationals risks further eroding local film industries' autonomy, diversity, and long-term viability. The problem is especially relevant for European productions, as these are usually distributed by independent companies: "The type of cinema marketed by independent distributors is basically European cinema[…]; if it were not for the [Spanish National Film Agency] ICAA aid and the MEDIA Programme, the sums would not add up, because private television stations do not want to know anything about this kind of films and public television stations are also increasingly reluctant to show these films." (Int. 46)

## 5.3. The impact of streaming platforms: convenient or disruptive?

**Streaming services and the disruption of traditional film distribution**

When asked what is the most important change in the world of film distribution over the last three decades, most interviewees referred to streaming, or as this representative of the Spanish Film Distributors Federation (FEDICINE) (Int. 5) argued: "**in distribution the main change has been the platforms, because that is the one with so much [market] penetration, you know?** The rest… the truth is that it was quite the same, there were not many changes in terms of film distribution."

The major streaming services entered Belgium and Spain at different times, with Netflix launching in Belgium in September 2014 and in Spain in October 2015. Amazon Prime Video followed in both countries in 2016, although its initial promotion was more limited. Disney+ arrived in Belgium on September 15, 2020, and in Spain on March 24, 2020. HBO Max, which replaced the original HBO service, launched in Belgium in July 2024 and in Spain in May 2024. In Belgium, the rise of streaming platforms has disrupted the delicate balance between independent distributors and major global players. As one Belgian distributor observes:

> "The streamers are, of course, the big change. This has had a **huge impact on the world of distribution**, both for independent distributors and for big names like Cinéart here in Belgium. **Streamers have taken many directors and content that we, as independent distributors, need. We need those big names to survive.**" (Int. 6)

This dependency highlights a precarious position for smaller players who rely on high-profile productions to draw audiences. The issue is echoed in Spain, where the multi-territorial dominance of global platforms often sidelines local distributors:

> "Sometimes we have even had to compete with them [international distributors, platforms], and **we have not been able to compete, of course, because [for them] it is a multi-territorial deal.**" (Int. 33)

Platforms operate on a scale that local distributors cannot match, often securing exclusive distribution rights across multiple territories. This **multi-territorial approach** allowed streamers to negotiate large-scale deals that are both financially and logistically unattainable for smaller, regionally focused distributors. Think, for example, of Netflix's acquisition of *Money Heist*. Initially a

Spanish TV series produced by Antena 3, *Money Heist* was acquired by Netflix in 2017 after its initial local broadcast. Netflix not only secured global distribution rights but also re-edited and branded the series as a Netflix Original. This move turned *Money Heist* into an international phenomenon, sidelining its original local distributor from future seasons and global revenue streams.[45] Consequently, local players often lose access to prominent films or series.

**Accessibility and cultural homogenisation**

VoD platforms also introduce a **paradoxical tension between accessibility and cultural homogenisation**. On one hand, they have made content more widely available, offering opportunities for smaller productions to reach global audiences. As an associate member of Europa Distribution notes: "**Streaming technology gives us the possibility to reach our consumers directly. For a reasonable cost as well.**" (Int. 33) The platforms have thus transformed how content reaches audiences and have democratised access for producers and distributors, allowing them to bypass traditional intermediaries. However, while the digital shift has reduced costs associated with physical distribution, the focus has increasingly shifted towards marketing, a trend mirrored in Belgium. "Distributors are now spending less on physical copies and more on marketing.... **There is pressure to get audiences to the cinema as soon as possible**. If a film doesn't do well in the first week, attendance drops quickly in the second and third weeks" (Int. 6).

This shift tends to be more beneficial to larger players because they have the resources to dominate the (short) attention economy. These companies can leverage economies of scale to create global, multi-channel campaigns that overshadow smaller distributors' localised efforts. Additionally, the ability to gather and analyse vast amounts of user data allows US platforms to target audiences with precision. Smaller players lack the capital to invest in extensive data gathering or audience monitoring. This leaves them without the insights into audience preferences the streamers possess.

On the other hand, their reliance on algorithms prioritises mainstream tastes, often to the detriment of local and niche productions. As one interviewee notes, **"The algorithm is not creative, it is representative."** (Int. 57) The effects of this revolution may be quite paradoxical, as while moving forward platforms are increasingly looking back: "Platforms are already seeing that they are becoming more or less specialised generalist television. In fact, they are the ones that have returned

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[45] La Razón. (2017, December 26). *Netflix se fija de nuevo en una serie de Atresmedia: Compra La Casa de Papel para emitirla en todo el mundo.* La Razón. Retrieved from https://www.larazon.es/tv-y-comunicacion/tv-news/netflix-se-fija-de-nuevo-en-una-serie-de-atresmedia-compra-la-casa-de-papel-para-emitirla-en-todo-el-mundo-NJ15494977/

to conventional television practices (broadcasting episodes every weekend and not all at once, advertising, sports, etc.)." (Int. 57)

This reversion to traditional broadcasting models illustrates how VoD services, while innovative in their reach, often replicate and reinforce existing cultural hierarchies. Another respondent elaborates on the cultural implications: "**The more platform consumption there is, the more homologation of aesthetic and cultural standards there is**" (Int. 58). This points to a growing concern that streaming platforms, while democratising access, also standardise cultural production, diminishing diversity in the global media landscape.

Despite these challenges, VoD services have also fostered innovative synergies between platforms and cinemas. As one Spanish exhibitor recounts, "The other day on [independent platform] Filmin I saw *20 Days in Mariupol* [2023]. I immediately contacted their programming team to organise a cinema session. Well, on Monday we put it on, and more than half the capacity was sold" (Int. 48). This example shows the potential for collaboration, where **platforms can act as gateways to theatrical experiences rather than direct competitors**. However, such partnerships remain the exception rather than the norm, with most VoD platforms focusing on direct consumer access.

## 5.4. The struggle between free market dynamics and cultural preservation: on the importance of geo-blocking

Geo-blocking, a practice that restricts access to online content based on geographic location, remains a critical pillar of the European audiovisual sector despite calls to ban it. This issue came to the fore with a recent European Parliament vote to re-assess the EU's 2018 Geo-blocking Regulation. While the updated report advocates for modernising the sector, it preserves the longstanding exemption for film and television, following strong opposition to extending the ban. A majority of MEPs voted on 14 December 2023 to uphold the geo-blocking exception, citing its importance for safeguarding revenue streams, encouraging investment in diverse content, and maintaining cultural variety across Europe. Key amendments emphasised that **removing geo-blocking would jeopardise territorial exclusivity**—a cornerstone of the European industry's production and distribution models—while potentially reducing content diversity, increasing costs for consumers, and limiting distribution channels. "There is a political need to encourage availability on

the one hand, which I think is a mistake," (Int. 13) commented one representative of the European independent distributors.

This decision followed weeks of coordinated advocacy from over 600 European film and TV companies, which highlighted geo-blocking's essential role in the industry. Organisations such as FIAD, CEPI, and Europa Distribution celebrated the vote as a "significant victory" for cultural diversity and territorial exclusivity[46]. Distributors rely on the ability to license films and shows on a territory-by-territory basis to fund productions and cater to regional audiences, ensuring that local languages and cultural nuances are represented in their work.

Our interviewees tend to align on this perspective. One of them critiqued the notion of creating a unified European streaming platform, describing it as a misaligned ambition:

> "They dream of a European Netflix, but in order to do so, we need to get rid of geo-blocking and the window system? That's the belief of some policymakers. To me, this seems irrational because we don't share the same philosophy, and it's not something we desire. Do we want a European Netflix? It's becoming increasingly difficult for local producers to purchase local content because Netflix can outbid with cash, which may not be desirable for Europe." (Int. 13)

These discrepant glimpses into the accessibility of European content show an important tension and critical divergence between European film ecosystems and major American players. Unlike global platforms that centralise content and prioritise scale, **European film ecosystems are inherently fragmented and proposals to eliminate geo-blocking and the window system risk undermining these localised strengths in favour of homogenisation which may not align with Europe's commitment to cultural pluralism.** Moreover, the ability of global platforms such as Netflix to outbid local producers for content points to an asymmetry of resources that increases dependence on external players and potentially marginalises smaller stakeholders. European cinema thrives on cultural specificity, offering narratives deeply rooted in national or regional contexts. This explains why some blockbusters may achieve extraordinary success within a country but fail to find a similar reception abroad – they are tailored to the cultural sensibilities of their primary

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[46] See *Europe votes to maintain geo-blocking for film and TV industries*. https://www.screendaily.com/news/europe-votes-to-maintain-geo-blocking-for-film-and-tv-industries/5188786.article#:~:text=The%20geo%2Dblocking%20report%20was,industries%20have%20welcomed%20the%20vote

audience. The importance of local markets and audience preferences was also highlighted by one of our interviewees:

"The European Union's beauty lies in its diverse cultures and content. Blockbusters may work globally, but they resonate differently in each country due to local audiences. **You still have those incredibly successful films in every country, but they will never travel because that's not the point.**" (Int. 13)

Another interviewee underscored the collective efforts of the industry to safeguard geo-blocking, emphasising its role in sustaining the availability and success of European films:

"The sector is united on geo-blocking. Last year, a European Parliament report had negative language for the film and AV sector. However, we managed to push back against this and included more positive wording for our sector. There is strong evidence showing that more European films are available online than ever before, and a key component of this is the theatrical release." (Int. 40)

The alignment between European and US industries on geo-blocking was also noted:

"There are arguments suggesting that geo-blocking serves as a defence against US dominance in Europe, **but I don't see this as a US-European issue. In fact, US companies are aligned with European companies on this matter**. For instance, the Motion Picture Association (MPA) released a vision paper and a joint statement from US studio companies, expressing support for geo-blocking." (Int. 40)

The challenge of balancing accessibility with cultural preservation was raised, particularly regarding the European Commission's push for globalisation:

"**The European Commission aims to globalise, but national industries want to maintain their distinctiveness.** If efforts to end geo-blocking succeed, it could fundamentally alter the distribution landscape for films." (Int. 26)

Additionally, experimentation and innovation within the existing framework were identified as crucial for navigating this complex dynamic: "If we don't try new approaches, we're likely to fail anyway, so it's crucial to experiment, even if some efforts don't succeed," commented one representative of film distributors in Europe (Int. 31).

The role of data in understanding audience behavior was another recurring theme, with one interviewee highlighting its limitations, especially when exploring possible collaborations with streamers, which are not inclined to share their data: "If I spend [my money] to promote *La Delicadeza*, which is on Netflix, how can you tell if it's having any effect? Only they can know." (Int. 31)

Overall, **interviewees made it clear that geo-blocking is not merely a barrier but a fundamental mechanism supporting the territoriality that underpins cultural diversity and economic sustainability in Europe's audiovisual sector.** The challenge lies in addressing accessibility without undermining these vital elements.

## 5.5. Chapter conclusion

This chapter addressed some of the most pressing challenges in the recent evolution of the European film distribution sector. Once regarded as the primary gatekeepers for theatrical releases—bridging the gap between production and exhibition—distributors now face the dual challenge of navigating traditional film circuits while adapting to the rapidly expanding digital streaming landscape. This shift has created new opportunities for reaching broader audiences but has also introduced the risk of films being overshadowed or lost in the extensive catalogues of streaming platforms. Among the various trends and challenges confronting the distribution sector, this chapter focused on four main issues. First, we explored the transformative impact of digitisation on film distribution. Secondly, we examined how shifting market dynamics have led to increased consolidation and financialisation. Thirdly, we analysed the challenges posed by VOD platforms. Finally, we discussed the enduring importance of geo-blocking. On this last point, our interviewees underscored that geo-blocking is not merely a barrier but a vital mechanism for preserving the territoriality that underpins cultural diversity and ensures the economic sustainability of Europe's audiovisual sector. The challenge lies in enhancing accessibility without undermining these critical pillars.

These trends and opinions were echoed in interviews with senior professionals in **Spain**. In this major European focus territory, the distribution market is becoming increasingly reliant on foreign distributors, with national films often handled by multinational companies. This stands in contrast to other European countries, such as France, where robust national distributors continue to thrive.

Streaming platforms have significantly reshaped the Spanish film industry. The expansion of services like Netflix, Amazon Prime, and Disney+ in Spain has fostered a market dominated by multi-territorial deals that local distributors struggle to compete with, often sidelining Spanish players.

The **Flemish case** exemplifies many of the described trends and challenges. As Flanders represents a small regional market, distributors often acquire rights for Belgium and the broader Benelux region. The case highlights how the rise of digitisation has largely preserved a fragmented structure, where smaller distributors, in particular, struggle with economic viability amid shifting consumption patterns. Efforts by some smaller distributors to establish their own streaming platforms as a way to bypass traditional channels have been largely unsuccessful. Despite these challenges, distributors continue to play a crucial role as risk-bearers and gatekeepers in an increasingly fragmented market.

# 6. EXHIBITION

*"Look, Hollywood represents the big retail model with very big companies. We in Europe prefer the milky way model: a group of many stars, small and large, each with a different profile, but all moving in one direction."* (Int. 14)

If any sector of the European filmed entertainment industry has faced the most transformative - and at times existential - challenges over the past three decades, it is undoubtedly the film exhibition sector. There was the **transition from analogue to digital projection**, which began in the 1990s, accelerated in the 2000s and led to almost complete digitisation by the end of the 2010s. This required heavy **expenditure on new technologies and significant investment** in new sites and the modernisation of existing ones.[47]

The 2010s also saw the emergence and rapid expansion of **direct-to-consumer or VoD services** (see §4.3), which not only implied a general restructuring of the audiovisual industry's production and distribution system,[48] but also had a major impact on the traditional film exhibition sector, initiating the take-up of subscriptions by EU consumers and their shift towards online content consumption.[49] The arrival of the **streamers** and the subsequent 'streaming war'[50] were characterised by fierce competition for content and programming, but also by advances in user experience and interface design, as well as the use of sophisticated algorithmic data analytics in order to attract audiences—an audience engagement strategy that was less evolved in the traditional film exhibition sector.

The cinema ecosystem was dealt another blow with the outbreak of the **COVID-19 pandemic**. This health crisis hit the film exhibition sector particularly hard, as policy measures led to **lockdowns, cinema closures** and **an explosion of online viewing and streaming**, marked by increased competition between existing players such as Netflix and the launch of new major platforms such as

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[47] EAO (2021). *Yearbook 2020/2021: Key Trends.* Strasbourg: EAO, p. 38.

[48] See Chapters 4 and 5, as well as: Ramos Arenas, F., Corredoira, L., Waszkiewicz-Raviv, A., Zawisza, A., Sidyk, D. & Benaissa, S. (2024). *Cross-national report on European VOD platforms*. Vienna: REBOOT.

[49] Grece, C. (2021). *Trends in the VOD market in EU28.* Strasbourg: EAO.

[50] Lobato, R. & Lotz, A., (2021). Beyond Streaming Wars: Rethinking Competition in Video Services. *Media Industries* 8(1).

Disney+, Apple TV+ and HBO Max. These major US players entered the market with aggressive branding, exclusive content strategies and large budgets. The result was a dramatic decline and even collapse in cinema attendance in 2020-21, as well as a lasting impact on audience behaviour and tastes that continued into 2022 and likely beyond.

As the EAO wrote in its 2021 *Yearbook*, the COVID-19 pandemic came amidst a wave of continuous consolidation and significant investment for modernising the industry,[51] as well as it hit the sector at the end of an era of stable growth. In fact, before the outbreak of the pandemic, the theatrical market was characterised by relative stability and even slow growth in most EU markets. Notably, 2019 was described as a successful year,[52] marked by an expansion of the infrastructure and a rise in the number of cinema locations across Europe, with the opening of 860 new screens, increased screen density, near-total digitisation of European cinema screens, and a surge in cinema admissions across the EU.[53] Although there were major differences across Europe,[54] ticket sales and GBO revenues generally slowly increased again in the years after the COVID-19 pandemic, but they generally remained below pre-pandemic levels.[55]

These disruptive events and major drivers of change were discussed at length during the interviews with our senior professionals.[56] In these interviews many **other topics, challenges and trends** were discussed such as questions on policy, sustainability, inclusion and diversity. In their answers and analysis, some interviewees insisted on paradoxes such as the one that despite facing **existential**

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[51] EAO (2021). *Yearbook 2020/2021,* p. 6.

[52] This was also the case in Spain, one of our focus territories, where an interviewee (an important exhibitor) said: "The increase in spectators in theatres was growing gradually, that is, from 2010 on, every year it went up a little, until 2019, which was the best year. There were movies like *The Joker*, *Parasite*, *The Lion King*, live-action, that were very important, you know? I don't know if *The Lion King* did 50 million euros at the box office, that *Anatomy of a Fall* did two and a half... and it's fucking cool, you know?" (Int. 2).

[53] EAO (2021). *Yearbook 2020/2021*, p. 6, pp. 38-40.

[54] UNIC reported that the exhibition sector in The Netherlands, Croatia, Albania, Serbia and Montenegro ended the year with box office revenues above their 2017-2019 average, whereas Austria, the Czech Republic, Finland, Hungary and Slovakia were on par with pre-pandemic box office results. UNIC (2024). *Cinema-going in Europe in 2023.* Brussels: UNIC, press release 14 February 2024.

[55] EAO (2023). *Focus 2023: World Film Market Trends.* Strasbourg: EAO. EAO (2024). *Yearbook 2023/2024: Key Trends.* Strasbourg: EAO, p. 42.

[56] While most of our interviewees shared their perspectives on changes in the theatrical market, fifteen of them have been or were primarily active in the European film exhibition sector. Seven of these interviewees represented supra- or international European players, five were active in the Belgian exhibition market, four in Spain, and two in the Netherlands. We also rely on interviews with interviewees representing film festivals and film archives/museums. The film exhibition interviewees represented a diverse range of players, including local, regional, national, and multinational stakeholders, as well as representatives from supranational trade associations. Their expertise spanned major operators and multiplex chains, as well as independent and arthouse cinemas.

**challenges** such as the COVID-19 pandemic, streaming competition and changing consumer habits, interviewees emphasised that the European cinema sector is not only surviving but—as it ever did—continues to **adapt itself to the new environment**. They suggest that the industry continues to reinvent itself, building upon the strengths of the cinema-going and the collective viewing experience. So, although audiences are increasingly consuming films via streaming platforms, there remains a strong demand for the communal, immersive experience of watching films in cinemas.

This chapter explores some of the key changes, challenges and paradoxes in the transformative dynamics of the film exhibition sector, more precisely the **role of technological shifts** (most prominently digitisation and Artificial Intelligence), changes in **programming**, the impact of the **pandemic**, **changes in the market and competitiveness**, the relationship between **cinema and the streamers**, as well as how the senior professionals reflect on the **cinema experiences and audiences**.

## 6.1. Technological shifts and challenges in the European film exhibition sector

**Digitisation, negative and positive impact**

When asked about the most impactful change in the film exhibition sector over the last thirty years, respondents were largely unanimous in identifying the **transition to digital projection**. Digitisation had "a huge impact across all sectors of the industry" (Int. 42), one interviewee argued, particularly "during the 2000s." In discussing this shift from analogue to digital projection, some professionals pointed to **negative consequences**, such as the significant **initial investments** in digital projectors, servers, and infrastructure. These investments "took quite some time to properly happen in all cinemas" (Int. 13), especially for independent and arthouse theatres. Concerns over **piracy** and **job losses** were also raised, as digital projectors required fewer staff to operate and maintain. Another challenge was the **rapid evolution of digital technology**, creating the need for cinemas to regularly update their equipment to stay current with industry standards. This put large cinema chains with more financial resources at an advantage, allowing them to adopt digital projection more quickly, which in turn contributed to an increased **concentration of power** in the hands of a few, leaving smaller or independent cinemas at a disadvantage.

While some acknowledged the high upfront costs, challenges faced by small independent cinemas, and the impact on labour, these negative aspects were often outweighed by the long-term benefits. Most interviewees emphasised the positive outcomes. One key finding was that most of the professionals looked back at the digital conversion with a very positive outlook. A particularly appreciated aspect was the **policy support**, with senior professionals strongly valuing initiatives that promoted investments in digital transitions and subsidies for digital equipment. Once installed, the shift to digital projection significantly **improved** the **cost structure**, not only for distributors (see Chapter 5) but also for exhibitors. Regarding the Spanish film market, a senior professional argued (Int. 30) that the digitisation of cinemas had a clear, cost-efficient impact and had made access to cinemas cheaper.

From an economic perspective, the move from physical prints to digital distribution has lowered costs for both distributors and cinemas, allowing for wider simultaneous releases. A senior arthouse exhibitor in Belgium noted that cinemas, traditionally burdened with operational costs and tasks such as managing film reels and projectors, were suddenly able to focus more on **enhancing customer service** with the advent of digitisation:

> "Now we can programme an entire cinema day without anyone having to be present. Our staff can now fully focus on receiving customers, which is a new and positive development. They have become a point of contact and act as a sounding board for the audience, which is great fun." (Int. 23)

Such developments suggest that digitisation, rather than depersonalising the industry, has facilitated a reinvigoration of its human and communal dimensions. The transition to digital projection was linked to the **efficiency** and **immateriality**, as well as to the increased **flexibility in programming**, both in terms of when and what is shown to particular audiences:

> "While I was working there, we slowly but surely drifted away from 35mm, solely relying on digital films, on DCP. You basically get a hard drive like that, rather than a 35mm film. It became much easier to show content. You didn't rely on projectionists to put the film in a room. That room wasn't restricted in terms of what it could show, because you could just upload films on a server and show any film you like in that room. Move it to another, and so on. So, the reason why I really insist on that trend, is that it really gave so much more flexibility to cinemas to show whatever they want to show, whenever they want to show it and have a much more

flexible programming adapted to the audience and to audience trends evolving. If they see that a film is not working, it becomes way easier to change the schedule." (Int. 13)

## Multiprogramming and oversupply

With the advent of digital formats, cinemas gained the ability to "show what they want to show when they want to show it" simply by uploading films to servers, a stark contrast to the logistical constraints posed by 35mm film reels (Int. 13). This technological shift has **democratised** film screenings, enabling smaller cinemas to access a **broader range of titles** and **cater to niche audiences**. As a result, the number of films shown in cinemas has skyrocketed, with "the number of films released in cinemas growing spectacularly over the last 5 to 7 years" (Int. 6). This trend is also linked to the resurgence of **cinemas in city centres**, as seen in examples like Brussels' *Pathé Palace*, a multiscreen arthouse cinema complex, and Madrid's cinema *Embajadores*. These venues exemplify "a trend already intuited before the pandemic," characterised by "more diversified programming" (Int. 49).

The **increase in the variety of films on offer**, driven by the flexibility of digitisation and the broader issue of overproduction (see Chapter 4), has created both opportunities and challenges. Exhibitors now have more freedom in deciding how, where, and what to screen, resulting in a richer and more diverse set of options for audiences (Int. 26). This so-called **multiprogramming strategy** has undeniably enhanced choice and variety. However, it has also disrupted the **traditional structured film release model**, which relied on distinct tiers of cinemas and staggered exhibition timelines.

> "You used to have a full program of films at the beginning, followed by a second and third run. (...) But now we are immediately in the **multiprogramming system**. For example, if you go to the *Palace* in Brussels [a multiscreen art-house cinema], you have to go see it in the first week. With multiprogramming, you don't just run one film in one theatre for a whole week, you have several films that are shown throughout the week. The **traditional model**, where a film slowly grows in popularity, is becoming less and less common. A film used to stay in theatres for at least two months, not always in the same theatre, but still. Now a film is usually only in theatres for a month, with occasional screenings here and there. That is **no longer a full-fledged cinema run**, rather a **quick cycle** where you have to perform quickly. All this has led to a situation where the "**Winner Takes All" mentality** prevails, where **films are given little time to grow**. This is especially true of blockbusters, although even there many fail." (Int. 6)

The increased choice brought about by multiprogramming strategies has its downsides, as it can lead to **too many releases** and create a **sense of oversupply.** Or as a representative of distributors in Spain notes:

"There are not only **too many films produced, there are also too many releases**. Too much, more than in France, more than in Germany, more than in Italy. In other words, it is released a lot in Spain. Films that don't last, there are many. [...] And for these they also want distribution windows?" (Int. 5)

Similar testimonies about an increasing number of films being released are heard in Belgium and the Netherlands, where one exhibitor of an arthouse cinema in Maastricht (Int. 23) notes that

""**In the analogue era, scarcity actually allowed films to grow,** to stay longer. I took another look at my programming schedule from 10 years ago for the month of May 2014, and back then we had 8,500 visitors. This year, **we literally released twice as many films** and I'm guessing around 10,000 visitors are going to come out."

This so-called oversupply might, according to some respondents, lead to the **invisibility** of many films and leave **audiences feeling overwhelmed**. Or as a representative of the Spanish Creative Europe Office (Int. 2) argues:

"Look, there is a discrepancy that you will find interesting. Our studies and research prove that, with reference to audiences, **the demand for European cinema is higher than the supply.** This is how it is. At the same time, in terms of statistics, there is an oversupply, that is, we produce much more than the market can absorb. But now I return to what I said before, that **the problem is not in the number of films produced but in their invisibility; the audience has no way of accessing or even knowing that they exist**."

**Short theatrical runs, battle for screens, more screens**

Multiprogramming and oversupply have also led to the **shortening of theatrical runs for most films**, particularly in commercial cinema, where the **window for a film's theatrical run is becoming increasingly restricted**. While the number of films produced and distributed continues to grow, the number of cinemas and screens has not kept pace, resulting in **heightened competition for screen space**. Consequently, cinemas face **mounting pressure**, alongside a growing need for more **active curation and programming**.

Interviewees argued that the oversupply of films being released has heightened the pressure on cinemas and created what some describe as a **battle for screens**. A particularly striking statement from distributors and exhibitors in Flanders was the **call for more screens**—a paradoxical demand given the widespread lament over the decline of cinema (Int. 24). Some senior professionals tend to take a more nuanced position, arguing that this call certainly applies to non-saturated markets in some of the Eastern European countries (Int. 13), but that in the case of Flanders this call relates more to well-equipped cinemas. A sales agent linked to Orange (Int. 6) notes:

> "Yes, there is the aspect of enough supply, enough places and enough screens. But I think that in many Western European countries, there are enough screens, but more screens can always be added, especially in certain locations. In the Netherlands, they sometimes say that it is not the demand that creates the supply, but the other way around, that the supply creates the demand. So if you indeed had more places offering something cosy, that could also generate more demand. (...) So, it's not just a matter of having screens, but also of creating a pleasant environment where people like to go for the cinema experience."

This fight for physical screens, coupled with the openly expressed demand for more screens, emerges as a key **paradox**: despite the broader multi screen environment and the overall abundance of screens available for consuming films and audiovisual content, the physical theatrical screen remains in high demand.

**Multiprogramming strategies** allow exhibitors to tailor their offerings to specific tastes, such as bringing in "smaller, niche films" that might otherwise struggle to find an audience in a crowded market (Int. 9). Unlike the cumbersome logistics of 35mm film prints, which required physical distribution across regions, digital formats offer flexibility and ease of access. This shift has transformed exhibitors into **cultural gatekeepers**, with a focus on curating thoughtful selections and organising themed events. Such efforts not only enhance the cultural value of cinema but also foster stronger connections with local communities.

**Winner-takes-all-effect, massive release, blockbusterisation**

However, these changes have also contributed to the emergence of a '**winner-takes-all' effect**, a phenomenon noted by several interviewees (and also explored in Chapter 5 regarding film distribution). In this model, a small number of films dominate box office revenues, while the majority of titles disappear from theatres after only a few weeks. 'The winner-takes-all mentality prevails, with

films being given little time to grow. This is especially true for **massively released blockbusters**, although even many of those fail,' notes a former Belgian distributor (Int. 6).

Some critics describe this approach as a "**box-shifting mentality**" (Int. 23), which prioritises rapid turnover at the expense of a more diverse film offering. This excessive **fragmentation**, where "each auditorium had three films programmed" (Ibid.), often results in smaller audiences for individual films and limited economic benefits. This fragmentation not only undermines cinema profitability but also hampers audience development, which is critical for long-term success. As highlighted by some respondents, a well-planned schedule with fewer but well-attended screenings—such as running a film like *Perfect Days* (2023) strategically—can yield better results than constantly shifting programs.

Also, an experienced Belgian film producer (Int. 35) emphasised that "in cinema, there is the 'winner-takes-all' effect, where only a few films perform exceptionally well, while the rest fail to gain traction, leaving theatres after two or three weeks." This dynamic poses significant challenges for smaller or independent films, which struggle to achieve sustained success in an oversaturated market. As cinemas navigate these changes, they must balance the competing demands of financial viability, audience satisfaction, and cultural curation.

### AI, uncertainties, boundless opportunities

At the time of the interviews, late 2023 to mid-2024, AI was still in full development and adoption, and interviewees were still hesitant about its implications. When discussing technological shifts and challenges, most interviewees obviously first talked about **digitisation**, but also reflected on the implications of **AI**. While exhibitors and other participants generally spoke positively and at length about the digital conversion, they expressed greater uncertainty about the impact of AI. This **uncertainty** has translated into a sense of being in the midst of a revolution and living through a historically significant period of transformation within the industry. Referring to the past experience with digitisation and the ongoing revolution with AI, one professional noted that "when discussing AI and digital tools, which have unlocked boundless technical possibilities, but the implications are not fully understood yet" (Int. 13). One respondent noted that AI would mean a mix of negative and positive impacts, similar to the transition to digital:

> "It is clear that AI will take over certain jobs, while also creating new opportunities. It is often said that the difference will not be so much between AI and humans, but rather between people who know and use AI and those who do not." (Int. 64)

But as with the digitisation process, the majority of respondents were quite positive about AI's endless possibilities and "new opportunities". They referred to different ways of using it in the context of the film exhibition sector. They talked about how AI-powered algorithms could be used for **personalised marketing campaigns**, film recommendations, or to promote events or screenings tailored to local tastes. Some talked about how AI could enable cinemas to implement **dynamic pricing models**, adjusting ticket prices in real time based on factors such as demand, time of day or seat availability. AI can be used for **automated scheduling and programming**, with cinemas using it to analyse historical data, audience preferences and market trends to predict which films will perform best at certain times or locations. As part of an **inclusivity policy**, it can be used to improve accessibility for audiences with disabilities by generating real-time subtitles, audio descriptions and sign language translations, or to assist audiences with hearing and visual impairments.

A key area where AI can be or become a big advantage, according to our respondents, is in the **automation of subtitling, dubbing and translation**. In Europe, deep-learning translation systems are increasingly being used by distributors to release films in multiple versions simultaneously, reducing costs and speeding up distribution in different language markets. Or, as one researcher associated with the European film exhibitor sector noted:

> "Soon, AI could translate films into local languages in minutes for a fraction of the current cost, revolutionising the business model by reducing expenses on practical tasks and allowing more investment in creative endeavours. This shift opens up opportunities for partnerships between cinema operators, studios, and IT companies." (Int. 13)

For some of our interviewees, AI has even the potential to become a key tool for **improving the international circulation of European films**. Given Europe's linguistic and cultural diversity, AI-driven translation and dubbing technologies could greatly facilitate the distribution and screening of non-national films across different territories. Or, as the CEO of a major commercial cinema chain noted:

> "In other words, bringing those cultures into other countries is possible. Even if language is a barrier. And that is where technology and artificial intelligence is going to provide a solution, because artificial intelligence now allows a film to be audio dubbed, so that the movement of the actor's lips matches what he says in the other language. That, of course, opens up an incredible opportunity for the European industry." (Int. 24)

**AI, challenges, conservatism in "a very analogue industry"**

AI offers significant opportunities for the European film exploitation market, including enhanced audience engagement, optimised operations, and—to some extent—the promotion of cultural diversity. As with digitisation, AI can be a powerful "tool for efficiency and innovation," as one respondent (Int. 1) noted. However, many questions remain. One major challenge is whether an over-reliance on AI algorithms might prioritise commercially viable content at the expense of culturally diverse or niche films. Additionally, the sector is already grappling with significant debates about job losses, broader **labour dynamics**, and concerns related to **data privacy** and **authenticity**:

> "An interesting development I have noticed, and for which I have even written a note to the secretary of state, is that as generative AI becomes more accessible, the authenticity of footage will become a new task." (Int. 47)

This relates to much broader discussions on the challenges AI poses to authors' rights, especially when it comes to distinguishing between fully human-created and AI-assisted works. It raises deeper concerns about **legal transparency**, as the head of a rights management office stated:

> "It should also be verifiable, because transparency is really the key word both in artificial intelligence, and in other matters. You also have to be able to control it in some way." (Int. 61)

Another more practical key problem, which also applies to the wider digitisation process, is the implementation of digital and AI-generated tools. One interviewee argued that AI, for instance, now still "seems to be used primarily **in supporting roles**" (Int. 67), without yet realising its full potential. This is linked to a broader concern about a certain **conservatism** in some parts of the film exhibition business:

> "The cinema industry, traditionally conservative and family-run, is now at a crossroads, needing to embrace digital tools and AI for efficiency and innovation. That's why I'm saying that it's still a very analog industry." (Int. 13)

"Despite the digital switch," the film exhibition expert (Int. 13) claims that:

> "the industry **still operates in many ways like an analogue industry**. We have the tools to operate almost like an IT industry, but we're not fully utilising them. For example, audience

trends and data are not being used effectively. Distributors and cinemas have their data, but sharing between studios, distributors, and exhibitors is complicated."

What seems to be missing is a coherent policy framework because, as a CEO of an important film fund argues, "our approach to AI remains fragmented," and it lacks "a cohesive policy framework". And he continues that "as we navigate this rapidly evolving landscape, clarity and guidance are needed to harness its potential effectively" (Int. 44).

## 6.2. Competitiveness in the European film exhibition sector

**Cinema's survival: pragmatic optimism or post-COVID euphoria?**

Another key issue that senior experts discussed at length was whether cinema will be able to survive and, if so, how it can compete with the growing number of challengers in the entertainment landscape. On the first question, the respondents were quite unanimous, highlighting cinema's **resilience**, the film exhibition industry's capacity for continued **innovation**,[57] as well as the **uniqueness** and appeal of the **collective cinema experience**:

> "I'm not predicting the death of cinema. Quite the opposite, actually. However, I do recognise some challenges it faces. I hope it doesn't end up being something people only do on rare occasions. What's encouraging, especially among young people, is the communal aspect of going to the movies. (...) This communal experience is unique. Unlike watching at home, where you can easily switch to another movie, in a theatre everyone is focused on the same thing. It creates a shared experience that's hard to replicate elsewhere." (Int. 4)

It remains challenging to determine whether this optimistic outlook reflects senior professionals' **pragmatic optimism** or a **post-COVID euphoria** fuelled by the slow recovery of cinema attendance at the time of the interviews.

The notion of cinema's resilience also ties into how these professionals discussed the theatrical **film exhibition sector's relationship with competing challengers**. Overall, although respondents argued that "cinema is a very competitive market where everyone is fighting for their place" (Int. 24), competitiveness appears to be a very relative concept. **Competitiveness**, it seems, is more than

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[57] See e.g., Gubbins, M. (2023). *The social, environmental and community impact of European cinemas.* Paris: Europa Cinemas. UNIC (2024). *Innovation and the Big Screen.* Brussels: UNIC (April 2024).

adversarial or conflict-driven oppositions, and can best be understood as a network of mutual relationships and interactions—sometimes even collaborations and mutually reinforcing or catalytic forces.

**Competition in the theatrical market**

First, there is competition in the theatrical market. Here, **competitiveness exists on multiple levels**, reflecting the transformation of a subsector in continuous flux: between commercial and arthouse cinemas, large chains and independent theatres, as well as multiplexes and single-screen (or smaller multi-screen) venues. The distinctions between these **different exhibition profiles, spaces and the experiences** they offer remain significant and persist across various dimensions— such as programming, promotional strategies, atmosphere, luxury, location, projection formats, audience engagement tactics, and, perhaps most evidently, financial resources, geographical reach, and market power. The **transformation** initially triggered by **digitalisation** has continued in different forms over the years: **enhanced technologies such as 4-D experiences, and the boom of the so-called premium and luxury-services** (with food served during the screenings) have further contributed to the differentiation of the film experience.

Our interviewees express no doubt about the persistence of these differences but do acknowledge shifts in these relationships. The challenges posed subsequently by **digitalisation, piracy, VOD services** and **the COVID-19 pandemic** have all contributed to the differentiation of the offer, with film theatres usually becoming increasingly relevant as situated spaces. While the **expansion of multiplex cinemas has marked the evolution of the film experience since the 1980s** (thus reshaping urban centres and societal habits), the interviewees highlight in the last decade under analysis a **reconfiguration of the spaces of cinema**, of film theatres moving back to the urban centres and gaining new social relevance. One young Spanish exhibitor indicated a trend he had been observing over the last decade, a "**trend towards smaller cinemas, this return to city centres and neighbourhoods**" (Int. 48) In his opinion, this trend had already started before the pandemic, but it accelerated with it. Reopening cinemas in city centres also meant in his eyes engaging with different types of audiences, ages, cultural levels, therefore providing a more diversified programme. And while the idea of quality and knowing the audience were mentioned as key aspects once again, it also became increasingly clear that traditional differentiations did not apply anymore as they used to. A distributor of mainly independent titles shared similar views about the seeming competition of international blockbusters: "If *Oppenheimer* [2023] succeeds, those are our successes. Even if *Barbie* [2023] is successful, this is our success because it helps to recover

the culture of going to the movies, not necessarily only popcorn, but a cinema that produces pleasure beyond the moment of viewing" (Int. 58)

Several respondents explicitly highlight the notion of **programming convergence**, driven by multi-programming strategies. This convergence points to a growing overlap between arthouse and multiplex programming—a combination that reflects cinemas' efforts to cater to increasingly diverse audiences.

> "The **distinction between multiplex cinemas and independent cinemas** has **blurred**. Multiplexes now show many independent films, while independent cinemas also show blockbusters." (Int. 41)

Also in **Flanders**, one of our focus territories, this process of **convergence between arthouse and multiplex programming** is increasingly evident, mainly around what respondents call the **battle for the crossover film**, what according to the head of KFD (Kinepolis Film Distribution, Kinepolis' distributor's arm, Int. 24) is "suitable for the commercial, as well as for the arthouse cinemas." Kinepolis, traditionally associated with mainstream films, now regularly includes independent titles such as the prize-winning *Triangle of Sadness* (2022) alongside Hollywood blockbusters, as part of their arthouse-type 'Ciné K' programme.[58] Similarly, Cinema ZED in Leuven, the Studio Skoop multiscreen cinema in Ghent or the Lumière chain, known for their arthouse focus, have integrated popular films like *Dune* (2021) and *Oppenheimer* (2023) into their schedule. The CEO of Studio Skoop declared:

> "Yes, the line between what is the better commercial film and what is the arthouse film is blurred. (...) Now we also played *Dune*. Ten years ago we never thought about doing that, but the fact that here the multiplex started playing our product made us say, 'Wait a minute, if it's like that, we can play those really big movies, too.'" (Int. 65)

Claiming that "there is no real competition between us and Kinepolis," the arthouse cinema's CEO (Int. 65) acknowledges that the "atmosphere" in both venues is completely different, as well as the **technical infrastructure and special formats**, like in the case of *Dune*, as noted by KFD's representative (Int. 24):

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[58] Ciné K, a concept introduced by Kinepolis, is focused on showcasing more arthouse, unconventional films alongside mainstream blockbusters.

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"What's also important about that is that it used to be that a film came out in one format, now it's different formats: 4DX, 3D, etc. Those have all been added and I think that also limits the choice a bit, because, for example, yesterday the movie *Dune* came out in all its forms, so 4DX and 3D, which means that, for example, in a Kinepolis complex equipped with all those technical gadgets that *Dune* is going to take up almost half of the theatres, leaving less space for other movies." (Int. 24)

The fact that Kinepolis is the only multiplex in the city of Ghent and enjoys a **quasi-monopoly** on a national scale naturally helps mitigate competitive pressures. While this case study on **Ghent** is not fully representative of the Flemish film exhibition market—due to the large student population in the city (which explains the presence of two arthouse multiscreen cinemas, a handful of non-commercial film venues, and other cinephilic initiatives)—it nonetheless remains illustrative of **broader market trends**. Overall, the Flemish market exemplifies a small, regional, yet undersaturated and highly fragmented film exhibition landscape. On one hand, the wide-audience multiplex sector is dominated by a quasi-monopoly, with Kinepolis—an internationally active company that is also a major player in Spain—holding a central position. On the other hand, there is a variety of smaller arthouse and independent cinemas, particularly in urban centres (with Ghent, Antwerp, and Brussels being exceptions where a larger number exist). In addition to these, cultural centres and other venues occasionally screen films, albeit less regularly.

Overall, the programming convergence is evident across all segments of the market, with commercial multiplex chains increasingly targeting highly-educated audiences, while arthouse cinemas appear more open to including commercial blockbuster-type films in their programming. As one representative of the **Spanish exhibitors** commented with pride, the current diversity of theatres and theatrical experiences enables them to reach different kinds of audiences (Int. 49). For exhibitors across the spectrum, more flexible programming strategies and mutually-beneficial adaptability can be advantageous for European films. They create a "space to see and appreciate European films" alongside major blockbusters, offering audiences a "broad range of viewing options without being mutually exclusive" (Int. 40).

**Hollywood versus Europe: the retail versus the Milky Way model**

A classic trope in discussions and analyses of the state of European cinema is the issue of its competitiveness with Hollywood, often framed around **Hollywood's enduring dominance over**

**European screens** and **the weak internal circulation of European films**.[59] The **body of literature and research** on the interrelationship between the US and European cinema is rich and extensive, addressing a wide range of aspects, including historical perspectives on trade relations or on mutual artistic and creative influences; political-economic studies examining the role of US-based players in controlling global audiovisual flows; or, more recently, analyses of the quasi-systemic structural dominance of global streaming platforms.[60]

The relationship between the EFI and its North American counterpart ran consistently through our conversations with the senior professionals. This topic, already addressed in previous chapters, also plays a key role in the following chapter on policy. However, one of the most frequently discussed aspects remains the overwhelming **dominance of US films in the theatrical market**—a central issue explored in this section. Several related topics also emerged during the discussion, including differences between the US and Europe in terms of market structures. These differences are deeply intertwined with issues such as conglomeration, market concentration, the exercise of market power, and the implementation of policies aimed at fostering diversity within the exhibition sector.

Given the limited scope of this report, it is not advisable to delve too deeply into all these issues. However, a recurring sentiment among stakeholders is that the **European exhibition market** is, on the one hand, **highly fragmented across various national and regional markets**, with only a few major chains engaging in cross-national activities—often multiplex-oriented players that prioritise Hollywood movies. This fragmentation also extends to the aforementioned **distinctions in exhibition profiles**.

On the other hand, most interviewees did not view this fragmented market structure as a disadvantage, problem, or handicap. Instead, they spoke positively about the market's diversity and the mutually productive interrelationship between different exhibition profiles. Some explicitly compared the European model to the US exhibition market, or at least highlighted Europe's diversity

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[59] The market penetration of European films is heavily concentrated within Europe itself, with 92% of admissions occurring there in 2023. Of these, 68% are in their national markets, leaving only 23% for intra-European exports and a declining 8% in non-European markets (EAO, 2023).

[60] See e.g., Walls, W. D., & McKenzie, J. (2012). The changing role of Hollywood in the global movie market. *Journal of Media Economics*, *25*(4), 198-219. Crane D. (2014). Cultural globalisation and the dominance of the American film industry: Cultural policies, national film industries, and transnational film. *International Journal of Cultural Policy 20*(4): 365–382. Buchsbaum J. (2017) *Exception Taken: How France has Defied Hollywood's New World Order.* New York: Columbia University Press. Vlassis, A. (2021). European Union and online platforms in global audiovisual politics and economy: Once Upon a Time in America? *International Communication Gazette*, *83*(6), 593-615. Davis, S. (2023). What is Netflix imperialism?, *Communication & Society 26*(6): 1143–58.

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as an advantage, reflecting the **essence of the European cinema model**. According to the CEO of an arthouse theatre chain, the difference between the US and European cinema models is evident in their respective markets. While "Hollywood represents the big retail model with very large companies," European independent cinemas embrace the metaphor of the "Milky Way model," built on a constellation of diverse and distinct cinemas (Int. 14). Some interviewees even extended this comparison, emphasising parallels with Europe's food, beverage, fashion, and other cultural industries.

**Hollywood dominance in admissions and at the box office**

The most widely talked about aspect of the interrelationship between the EFI and its US counterpart, relates to its dominance at the box office–an issue which is closely tied to **European film policies** (see Chapter 7), which have partially evolved as a response to Hollywood's stronghold on Europe's cinema market and the declining market share of domestic films.[61] There is a wealth of data highlighting Hollywood's dominance of European screens, including reports by the EAO such as its 2024 *Yearbook*, stating that **US blockbusters** remain, in the EU, "**the single most important film type in terms of ticket sales**."[62]

Our interviewees spoke extensively about Hollywood's dominance in the European theatrical market, also reflecting on the effectiveness of employing an antagonistic discourse that frames Hollywood and Europe in opposition. In this narrative, European cinema is portrayed as the alternative 'Other' in contrast to Hollywood.[63] One key finding highlights a **sense of resignation** among interviewees regarding Hollywood's dominance in the European film exhibition market. As one interviewee representing primarily commercial exhibitors (Int. 41) remarked, "**It's not an issue for us**":

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[61] De Vinck, S. (2011). *Revolutionary Road?* Valais, S. (2024). *Curtains up on regulation and support measures for the cinema exhibition sector*. Strasbourg: EAO, p. 31

[62] In 2022, this trend was particularly evident because it "cumulatively accounted for 38% of total cinema tickets sold in Europe, while the remaining admissions came almost equally from mid-tier films (22%), high-grossing films (21%) and low-grossing films (19%). US blockbusters stood out as the single most important film category, capturing 32% of all the cinema tickets sold in Europe in 2022. US high-grossing films accounted for 14% of total admissions, ahead of US mid-tier films (12%), European low-grossing films (11%) and European mid-tier films (9%), while all other film types accounted for 3% to 6% of total admissions." EAO (2024). *Yearbook 2023/24*, p. 20. See also Omdia (2025). *Box Office and Beyond: the cultural, social and economic impact of cinema.*

[63] See Elsaesser (2005).

"At the end of the day, we need Hollywood films to attract audiences. I always compare it to the book publishing industry: out of ten books, one will be a bestseller, often by a major author like J.K. Rowling. Similarly, in the film industry, a major US blockbuster might be highly successful, while three or four films may break even. The rest often result in a loss because they don't attract enough viewers to generate sufficient box office revenue. To show those smaller, niche films, which might be arthouse or more specialised, you need the big US blockbusters to attract audiences. It's about finding a balance. It's not that US content is inherently bad; rather, there's sometimes a tendency in Europe to view it negatively. The reality is that **Hollywood's dominance is a market fact**."

A similar assertion regarding the **European theatrical market's reliance on Hollywood movies** is echoed in an interview with a distributor's representative (Int. 40):

"The importance of US films to cinema in Europe is evident when examining box office shares and admissions on a territory-by-territory basis, highlighting how integral these films are to the European market. The economic, business, and cultural realities underscore the importance of US films in the film distribution sector. A narrative that attacks the US is counterproductive because US films play a crucial role in driving audiences and attracting viewership, which benefits the entire industry."

Hollywood blockbusters continue to play a crucial role in the commercial film exhibition sector across the EU. In this context, **competitiveness between Hollywood and European cinema is downplayed** as well by **emphasising differences** in market size and structure, financial frameworks, and the distinct film and cultural concepts underlying each cinema tradition:

"The financing and marketing of US films are vastly different from European films. In the US, studios have the resources to control the film's inception and promotion across all distribution platforms, often without relying on pre-sales. They can invest significant amounts in marketing, dominating social media long before the film's release. For many of our members, US content is crucial because they lack strong local titles that can appeal to all audiences. European arthouse films often target a more niche audience, such as those with a higher level of education or specific social backgrounds, and may not cater to younger teenagers or fans of superhero and action genres. While it's a limitation, it's a reality we're still working to address in Europe." (Int. 40)

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More critical questions were raised with regard to the **effectiveness of European, national and regional policies**:

> "Creative Europe, as well as the presence of regional players like VAF [the Belgian Flemish film fund], **it's evident that Hollywood's dominance in cinemas persists**. Despite these efforts, approximately 80% of ticket sales still go to Hollywood films. This raises questions about whether Europe has failed in its endeavours within the film industry." (Int. 31)

Although, as a former producer and policymaker in Flanders (Int. 52) argues, "American dominance in the film industry is likely to remain, they certainly have **their own problems**." "These days, it seems like we are seeing the 87th Marvel film. Audiences are not as stupid as is often thought and do not remain endlessly interested in more of the same." Although he sees lots of interesting developments in European cinema, "**people often do not identify with European films** and they are shown sporadically in other countries, often depending on subsidies." And he continues:

> "The **success of European cinema** depends on several factors: it must **be attractive to a wide audience, receive sufficient financial support, and be well promoted**. While US companies like Netflix help distribute European content, there is still work to be done to make European cinema a full-fledged, independent force that is recognised and appreciated worldwide."

The European film exhibition market's experiences with **COVID-19** were like a double-edged sword. On the one hand, it **created opportunities for European films** as US blockbusters were not widely released. A representative of Europa Cinemas:

> "Historically, the US cinema industry hasn't fully regained its dominant position, which presents an opportunity for European films that might not have been screened otherwise. However, this doesn't automatically mean that national films will displace American productions. (...) The market tends to be **dominated by either national or American films, with less room for diversity**. (...) So, while European cinema is making notable strides, the **systemic challenges and market dynamics still favour American productions**, and the **future of European cinema's global impact remains uncertain**."

However, on the other hand, the pandemic and the subsequent recovery period underscored the **European film exhibition market's dependency on Hollywood blockbusters**, as the market lacked popular titles capable of drawing audiences back to cinemas. During the relative scarcity of

US films, European cinema failed to capitalise on the opportunity to increase or keep its market share over a longer period. Opinions varied on how to interpret the slow rebound in cinema attendance after the pandemic. As one producer and archivist (Int. 47) observed: "The theatrical market is rising again, but is this **post-COVID enthusiasm**? I think we are past that. Audiences realise that during a film, it is mandatory to turn off the mobile phone for almost two hours—a form of compulsory meditation." Others were more pessimistic, with one interviewee noting: "During the COVID-19 period, streaming service subscribers increased, but in the cinema sector, there was also a **certain euphoria that has since subsided**." (Int. 6)

**Streamers, cinema and the wider economy of attention**

This links to another hotly-debated topic concerning the competitiveness of the European theatrical market: the **relationship between cinemas and streamers**. Here, opinions were, perhaps surprisingly, relatively positive, or at least ambivalent. There were **many questions surrounding the trope of streamers potentially "killing" the cinema**. Of course, concerns about cinema closures, the decline in attendance, the challenges of regaining audiences, and the possibility that viewers may have changed their behaviour and expectations regarding the cinema experience were raised. Additionally, questions arose about the willingness of audiences to buy cinema tickets or pay for a one-off screening in a theatre. Throughout the interviews, we were struck by an **ambivalence** and even a sense of **cautious optimism**, exemplified by statements suggesting that, although streamers and cinemas partly target the same audience, heavy consumers of films on streaming services also continue to attend cinemas.

Exemplifying the stakeholders' ambivalence, some see streaming platforms as formidable competitors contributing to an oversaturated market, ultimately threatening the viability of traditional cinema. One interviewee (Int. 4) expressed concern by saying, "**the sheer volume of options on streaming platforms can overwhelm viewers, making it difficult for one film to stand out**." Others, on the other hand, argue that streaming platforms can coexist with cinemas, noting that "**the diehards on streaming are usually also the most frequent moviegoers**" (Int. 24). Moreover, streamers' investment in local stories can increase the visibility and diversity of stories, with one interviewee saying that their content "exceeds what traditional cinemas can offer" (Int. 8). So, according to the interviewees, the rise of streaming platforms presents both **opportunities and challenges**:

"Well, I think it's a bit of a mixed bag. On one hand, streaming platforms offer convenience, especially for families with young children. It's much easier to watch a movie at home than it is to arrange for childcare and go to the cinema. So, I understand why they've become so popular. But on the other hand, I think **there's an issue with the quality of content. Despite the vast catalogue available on streaming platforms, sometimes it's hard to find something worth watching**. The **lack of curation** means that even with endless options, viewers may struggle to find something they truly enjoy." (Int. 4)

This sentiment is echoed by another interviewee (Int. 44), who emphasises that the overproduction of content by streamers has led to market saturation, affecting cinema attendance, "as the audience could not keep up with the influx of new series and films." Another interviewee (Int. 9) adds another layer to this discussion by pointing out that the **dominance of streaming services has created a "distance" between the industry and its audience**, making it difficult to understand viewer preferences. They emphasise, "It is important to share knowledge about the audience because it is crucial for creating new productions. You need to know who is watching, how long they are watching, who it appeals to, and who it does not. Due to this shift, **it has become a challenge for producers to gauge their audience, as the direct feedback loop that cinemas and festivals provide is now less clear**" (Int. 9). They also note, "In the pre-streaming era, much work was done with test audiences, but now you have to find ways to grasp the audience that is watching at home" (Int. 9).

Another perspective suggests that while streamers **compete more with linear television** than with cinemas, they have nevertheless fragmented the market. One interviewee (Int. 24) observes, "There is some research, also in the UK, indicating that **die-hard streamers are also the most frequent cinema visitors**. This indicates that the relationship between streaming and cinema attendance is complex and not entirely competitive." Another interviewee (Int. 13) describes the **clash between traditional cinemas and streaming platforms as the one between two completely different models**, pointing out how "the success of cinemas is measured by box office revenues, while streaming platforms focus on subscriber numbers, which particularly affect stock performance and investor interest. Comparing the two is often like comparing apples and oranges; they operate according to entirely different principles."

This connects to another recurring idea: that cinema and streaming platforms are part of **the same ecosystem**, operating within a much **broader attention economy**. A representative of the Spanish distributors (Int. 5): "**I don't think there is enough coexistence and in fact when I talk to the sector, including cinemas, they usually tell you that it is not so much competition**, that it is

more **I think that for us more competition is football, honestly**, every day there is football." Or a producer (Int. 17): "The competition was not with the audiovisual in terms of platforms, the conflict [competition] with young people is that of the mobile phone, TikTok on YouTube and all that." A sales agent (Int. 57) refers to **increased fragmentation in the wider leisure economy** and the **commodification of leisure time**:

> "**Leisure time is limited**. Therefore, the market is increasingly fragmented, but does not grow, or grows only in those countries whose population with purchasing power also grows. Therefore, there is **a logical shift towards new markets**. By the same token, products coming out of these new expanding markets have a better chance of entering the old markets. **Spain cannot grow as a market if the population does not grow**. To value the film market only for its impact in theatres is not to recognise the real impact of cinema. The spectators have not dropped, what happens is that they move between more offers. Therefore, cinema in cinemas, with exceptions, will never be able to recover its figures, but it will be profitable if it is rightly dosed."

Many interviewees discussed how the **arrival of streamers has ultimately shifted audience behaviour**. Among the tendencies observed by our respondents were "**the trend toward younger, more urban audiences**," and the "**return to neighbourhood cinema**" (Int. 58); the "**hunger for quality cinema**" (Int. 2); and the "**loss of the elderly**" (Int. 55). A Spanish producer and distributor attempts to sketch a demographic profile of the "new cinema audience" such as the "Lady of el Paz":

> "There is the demographic [change]; what we in the distribution sector call the "**Lady of El Paz**" [Madrid cinema] right? She is a woman, urban, over 60 years old, middle class verging on high; not always, but often with a university education; sometimes, but not always, with a certain professional career, but almost always at the end of it; their children have, of course, already left the home, and they go to the cinema without their husbands and [rather] surrounded by other women. They have been very scared by COVID and have practically decided not to return [to the cinemas]. If they visit a collective experience, they prefer to go to the theatre, which they cannot have at home."

Some professionals argued that the **COVID-19 pandemic increased audiences' agency**. They are **more tech-savvy** ("the elderly are getting better and better with new technologies", Int. 48), and much **more selective**:

"People are more selective now than they were fifteen years ago and will make decisions based on a greater degree of information. Also keep in mind that in just these 9 years, they used to release between 78 and 80 films a week and now 1.415 are released." (Int. 48)

## 6.3. Event cinema and theatrical engagement

Cinemas are now competing in an oversaturated leisure market and attention economy, with films being no longer confined to physical theatres, but competing for the fragmented attention of audiences across screens and devices. In response to this shifting landscape, cinemas are increasingly adapting to meet the changing demands of today's audiences. The concept of **theatrical engagement**, as outlined in the 2024 *Nostradamus Report*, summarises this shift.[64] It states that for a film to succeed, it must offer an explicitly engaging experience – both in terms of content and screening – to draw audiences away from their homes and into the cinema. The new paradigm requires more efforts from cinema operators, distributors, and producers, but also offers growth potential, especially for original and distinctive films. While cinemas strive to emphasise the superiority of the theatrical experience amid an abundance of content and unlimited choice, innovations such as event cinema position the theatre as a space for exclusive, indispensable cultural experiences. But as the *Nostradamus Report* warns, the decline in cinema attendance may become inevitable unless the industry collectively redefines its relevance in the face of these challenges.

In the **battle for audience attention** one coping mechanism seems to be the focus on **event cinema**:

> "What I hear is that there is now a significant focus on specific movies that are considered **events**—films that everyone is talking about. This has led to a situation where **exhibitors and distributors concentrate their efforts on a few high-profile titles, leaving other films with less visibility and poor box office performance**. This creates a vicious cycle: because certain films dominate, others don't get purchased or shown, making it harder for diverse films to reach audiences. In this environment, many films are only visible at smaller festivals, as there has been a proliferation of such festivals" (Int. 26, Int. 30).

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[64] Koljonen (2024), p. 6.

A Spanish distributor (int. 55) highlights the **importance of young audiences being particularly attracted to attending cinema events**:

> "[Younger audiences] go to a lot of movies as events, I don't know how to say it... So, they watch a lot on the platforms, but then when there is a film that interests them, they also go [to the cinemas] [...] **I don't think there is a problem with young audiences, but it is more of a problem of product**, of what we give them, of what we send them, you know?"

Another interviewee (Int. 41) emphasised that, although there is limited data on audience behaviour, event cinema is designed to meet the evolving needs and preferences of contemporary viewers:

> "The **film industry now offers a broader range of experiences, from premium screenings to community-oriented events, catering to diverse audience needs and preferences**. (...) "the process of selecting a film to watch at home can often be overwhelming due to the sheer volume of options, which can lead to indecision. In contrast, the cinema experience is more straightforward, providing a curated event that simplifies the choice for audiences."

As already pointed out, in this landscape of abundant content **the exhibitor increasingly assumes the role of curator**. By helping audiences navigate a vast array of options, which can often feel overwhelming for viewers, curators heighten the demand for their expert guidance in selection. From this perspective, respondents also saw a transformation gradually taking place in recent years:

> "**Cinemas have lived for many years too used to distribution being in charge of doing that work.** But it's a two-way job, in the end the price of the ticket is shared with the distributor, you know? But how am I [exhibitor] going to leave the responsibility to them [distributors] to move their films alone and I can stay here and wait as the theatres fill up. I have to be an active member of that part as well, right?" (Int. 48)

**This acknowledgment of shared responsibility signifies a reconfiguration of the conventional relationship between distributors and exhibitors, emphasising the need for collaborative efforts to secure adequate visibility and support for films, particularly those marketed as events.** By integrating innovative theatrical formats, reviving select analogue techniques, and fostering active participation from exhibitors, the industry is strategically utilising event cinema to reaffirm the cinema as a vital and irreplaceable cultural institution.

In Spain, **event cinema** has become a **key strategy to attract younger viewers** who balance their film consumption between streaming platforms and theatrical releases. As one distributor (Int. 5)

explained, "[younger audiences] go to a lot of movies as events, I don't know how to say it... So, they watch a lot on the platforms, but then when there is a film that interests them, they also go [to the cinemas] [...] I don't think there is a problem with young audiences, but it is more of a problem of product, of what we give them, of what we send them, you know?"

Event cinema has also tapped into the **appeal of analogue technology and historical authenticity** to enhance its offering. A representative of a film festival (Int. 10), which specialises in this kind of content, described the impact of such screenings:

> "We still have both screenings [digital and analogue] and you can feel the difference. So that's part of human history. We also do these screenings with the carbon arc light projectors from 70 years ago. So, you have a chance to imagine what your grandfather and mothers could see at the time. And that's kind of fun."

This nostalgic approach creates a bridge between past and present, offering audiences a sense of connection to cinematic history. The cultural significance of these events is amplified during iconic moments:

> "I think people enjoy a lot that they can discover really plenty of different things and not just what is trendy, what is. But also, yeah, there are also some big films that have premiered in Bologna. I remember when we had Coppola and the Piazza Maggiore with *The Godfather, Part III* [1990]. That was, wow, 10,000 people, and it was like having a rock star in front of you." (Int. 10)

## 6.4. The end of cinema, resilience and the cinema experience

Cinephiles' common lamentation about '**the end of cinema**' was often heard among the older generations of interviewees. Looking back at the transformation of the market since the 1990s some lamented how "a **whole generation was lost for cinema**." The Spanish distributor (Int. 7) continued: "it was taken away by football, video games, the madness that this all was in this country; [that meant] underestimating or not giving importance to cinema as part of our culture. And that generation that is now 40 years old." However, these kinds of **nostalgic retrospective evaluations are usually in contrast with those of younger colleagues who have a more positive attitude** towards collaboration with other audiovisual sectors. A Flemish representative of Creative Europe (Int. 67) pointed in this regard:

"It would be valuable to encourage more collaboration between animation production houses and game development studios, as there is often a large overlap between these two sectors. A possible focus could be on maintaining intellectual property (IP) within Europe, without depending on US players. This could expand the sector and appeal to new audiences."

While some stakeholders were happily surprised by the good audience numbers achieved by recent, smaller European films such as *Fallen leaves* (2023) or *Anatomy of a Fall* (2023), they remained unsure about the capacity of these films to generate an effective (industrial) shift without a blockbuster capable of attracting larger audiences.[65] Interviewees often lamented a **problem of visibility on the offer**: distribution and exhibition (both in the cinemas and online):

"**We are currently living in a catastrophic moment in terms of the Spanish box office and brilliant in terms of the box office of auteur cinema.** Within the Spanish box office there is this absurdity that has never been experienced [before]: we see it happening with Asian films with no well-known actors, with classics, with movies that are too long... In other words, they have all the obstacles that a vision can put in the rather mercantile distribution. And there are *Perfect Days [2023], The Leftovers [2014]*... **There is a list of almost a dozen films that have been going on for weeks and weeks. And, of course, for an independent distributor producer, that is almost like a miracle. Where do these people come from? Suddenly they have left their sofa, they have said, I want to see this film in theatres, they have not only said, I want to see this film, but I am going to leave the platform and I am going to go to the cinema to see it even though in 3, 4 or 5 months it will be available [online].**" (Int. 58)

The key idea seems to be the necessity to think about the industry as a whole, and understand that the **sustainability of the system** requires different approaches. This includes **film theatres as a central part of this value chain**:

"We all need the theatres. Well, [arthouse cinemas] Renoir, Verdi and Embajadores can be very happy with this **new boom**. But that is 15 or 20% of the cinemas in this country; the remaining 80% are considering closing because the films on which these cinemas depend are not making it to the end of the month. It's impossible for them to survive, because until *Dune II* (2024) was released this weekend, we had a bad start to the year [2024]." (Int. 58)

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[65] See similar comments in the 2023 *Nostradamus Report*, p. 41.

Almost all of our interviewees were convinced that cinema theatres continue to execute their **economic function within a broader media framework**. Key here is that they argue that **cinemas retain their unique appeal**, particularly **in providing a communal, immersive experience**:

> "I'm **not predicting the death of cinema. Quite the opposite**, actually. [...] What's encouraging, especially among young people, is the communal aspect of going to the movies. They often go together, put away their phones, and become fully engrossed in the film. Sometimes, they may not initially enjoy the movie but end up having a positive experience because something unexpected happens. This communal experience is unique. Unlike watching at home where you can easily switch to another movie, in a theatre, everyone is focused on the same thing. It creates a shared experience that's hard to replicate elsewhere." (Int. 4)

This social dimension of cinema – where audiences come together in a shared space and focus on the same film – continues to differentiate it from home viewing. In fact, **the pandemic has only reinforced the importance of these shared cultural experiences**. As one interviewee noted:

> "When COVID-19 hit, it felt like the end of cinemas was near. However, much like restaurants, people soon realised how much they missed the unique experience. Just as you'd be dreaming if you tried to book a table last-minute on a Friday night, the same goes for cinema – it's part of that same story." (Int. 64)

Or, as another interviewee (Int. 41) stressed in relation to the **power of the cinema experience and collective film viewing**:

> "**It seemed that the theatres were going to disappear, that is, that everyone was going to turn to platforms. But I don't think so, the theatres are coming back.** […] We follow the news from the United States because what happens there after a while happens here. And in the United States, theatres are making a big comeback now."

The **communal aspect of cinema** also emerges in **"festivals [playing] a crucial role in fostering this sense of community**…[and] encouraging people to sit still for an extended period, which is a rarity in today's fast-paced world" (Int. 4). The unique allure of cinema's shared atmosphere allows patrons to "engage with the same experience" collectively, which has proven difficult to replicate in home viewing (Int. 41).  An exhibitor described the appeal of this communal aspect as akin to dining out; even though "one ticket equals a full monthly subscription to Netflix," cinema audiences value

the planned outing and shared experience, particularly younger audiences who see cinemas as "a social space to meet friends" (Int. 26, Int. 30).

By framing cinema as a shared event, exhibitors can leverage the **power of communal interaction**, an aspect that streaming services lack. Events such as festivals, Q&As, and other interactive screenings have become central in the exhibitors' effort to maintain relevance and attract diverse audiences. An exhibitor explained that "supportive screenings with introductions, Q&As, panel discussions" (Int. 63) provide added value to visitors who seek a **deeper connection with the films**. These events also facilitate **engagement among patrons**, bridging a gap between audience and cinema that helps position cinemas as community spaces. Events often highlight specialised content or address niche interests, distinguishing cinemas as spaces where viewers can explore unique narratives. These programmes make cinema a site for cultural enrichment and shared reflection, which exhibitors argue is crucial in reinforcing their identity amid the rise of streaming services. In their transition from logistical managers to cultural curators and social facilitators, film exhibitors are innovating to stay relevant in an increasingly competitive market. By **blending mainstream and arthouse content, enhancing flexibility in programming, and organising social events**, exhibitors can offer experiences that emphasise cinema's role as a communal and cultural event. As one interviewee noted:

> "People continue to go to the cinema despite having access to vast amounts of content at home through subscriptions. **The cinema experience offers a unique night out, which is often very affordable compared to other entertainment options.** It's similar to why people participate in video game tournaments rather than just playing at home; they seek the social experience. Going to the cinema allows people to go out with friends, have a drink before or after the film, and enjoy a shared experience. This social aspect is crucial"

This requires that cinema operators across all segments should "adapt or reinvent themselves," a representative of Europa Cinemas (Int. 26) argues. In this regard the **pandemic** was like "a **shake-up**," that "can be beneficial, as it forces people to **innovate**." Continuing with an eye on the EFI's broader ecology: "I think something similar should happen with producers. They aren't taking risks; often, they just take a 30% overhead from the budget for themselves."

## 6.5. Chapter conclusion

This chapter on changes, challenges, and paradoxes in the development of the theatrical film exhibition sector highlights the far-reaching impact of the transition from analogue to digital projection. This technological shift provided cinemas with unprecedented flexibility, cost reductions, democratised access, and the ability to adapt programming to better meet audience demand. At the same time, the number of films released in cinemas grew exponentially, leading to a "winner-takes-all" effect, where a few blockbusters generate the most revenue, while smaller (mid-tier) films struggled to stay visible. These trends were deeply challenged by the COVID-19 pandemic, which not only led to the closure of cinemas and, subsequently, a dramatic and historically catastrophic drop in admissions and box office results, but also gave streaming services an opportunity to develop and strengthen their strategies to attract online audiences. While the post-pandemic growth of the sector did not meet the most optimistic expectations, exhibitors emphasised the movie theatre's unique appeal by highlighting the communal, immersive nature of the collective cinema experience, while also strengthening events and links with local communities. Arthouse and independent cinemas, in particular, proved to be more successful, leading to a growing convergence between multiplexes and other players in terms of programming and other strategies. Meanwhile, Hollywood films remained crucial for securing major box office revenues, especially for multiplexes. Although during and after the pandemic, major US players experimented with direct-to-consumer strategies via streaming services, there appears to be a growing recognition of the economic role and relevance of cinemas. Theatres provide essential visibility for movies and help them stand out in an increasingly crowded market.

These general trends have characterised some of the major changes and challenges in **Spain**, one of the key European film exhibition territories. The Spanish case also highlights other important trends, such as the impact of digitalisation in innovating projection formats and enhancing the cinema-viewing experience (e.g., 3D and 4D formats), the rise of premium and luxury services, and the trend of film theatres returning to city centres, gaining new social relevance.

The **Flemish case** offers a striking example of a small, regional yet undersaturated and highly fragmented film exhibition market. On one hand, it has a quasi-monopoly in the wide-audience multiplex sector, dominated by one major internationally active company, Kinepolis (which is also a major player in Spain). On the other hand, there is a plethora of smaller arthouse and independent

cinemas, cultural centres, and other non-commercial film venues. A notable point in the interviewees' statements was the call for more screens in better-equipped cinemas.

# 7. POLICY

*"There seems to be a lingering, perhaps utopian, vision of a Europe without borders that some European lawmakers are very attached to. This idea, however, ignores the realities of the business and the crucial reliance of cultural diversity and independent films, especially from smaller territories, on the current system."* (Int. 40)

Rereading the notes and transcripts of the interviews we conducted with senior professionals[66] leaves little doubt about the **centrality of public funding and policies** in shaping European cinema. Stakeholders consistently emphasised that film policies—usually implemented through European programmes or aligned with European guidelines—are central to maintaining the economic and cultural health of the European film industry. Over the past thirty years, these public interventions[67] have significantly influenced the evolution of European film history. However, these policies continue to face significant challenges. As with other areas, this report identifies these challenges through a series of paradoxes, which will be explored in detail in this chapter: the effects on film production, the friction between the common policy framework and diverse market realities, and what many of the interviewed professionals see as the burdens of bureaucracy.

Before focusing on these aspects, the report first provides a general overview of the transformation that highlights milestones (such as specific programmes, regional and national funds), identifies tensions and drafts its shifting models (emergence of tax incentives). This longer introduction also provides diverse evaluations of what many interviewees see as a general problem in the policies: **a lack of clear objectives** capable of mediating the basic tension between EFI's cultural relevance and its economic sustainability.

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[66] While most of our senior professionals shared their perspectives on policy-related issues, we also conducted interviews with 23 professionals actively involved in film or audiovisual policy institutions. These included representatives from key film and audiovisual funds in our focus territories, such as the ICAA in Spain and the VAF in Flanders. Of the 21 interviewees, eight were connected to film policies in Spain, six in Belgium/Flanders, one in the Netherlands, and two in Denmark. Six interviewees were associated with international or European film policy agencies or organisations representing audiovisual funds on a European level, such as Europa Cinemas or CineRegio.

[67] For (historical) overviews of film policies in Europe, see for instance CNC & EAO (1998); De Vinck (2011); Kanzler (2024).

### Diversity as a key value

However, at the base of this tension, there seems to be a shared understanding of cultural diversity as one of the key values that sustain the European project and which are central to structuring the film marketplace: "**Europe is united in diversity, and this diversity must not be erased.** Policies should preserve local identities while fostering collaboration across borders. This principle of 'unity in diversity' must guide all cultural policies, ensuring that each member state retains its right to cultural uniqueness without imposing a homogenised European identity." (Int. 51) "**Creative Europe / MEDIA has played a crucial role in maintaining market diversity**." (Int. 41) Hence, European policy has led to the emergence of "an industry filled with diverse stories about our world, social issues, and cultural aspects. **This diversity is one of its greatest achievements**." (Int. 9) In this regard, this seemed a story with a happy ending, as European policies have led to the creation of a varied industry that the continent's inhabitants can call their own. Recent developments seem to have increased the political currency of these considerations: "**If these funds were to disappear or weaken, it would be a blow to the idea of a United Europe, especially as we see a rise in nationalism in countries such as Italy, Hungary, Poland, and the Baltic states.** These funds are essential for maintaining international cooperation and strengthening the European community." (Int. 50)

### Diversification of support mechanisms

In the period of analysis, primarily national and regional but also European funding and tax support mechanisms have been crucial. The specific evaluation of their effects are, however, still controversial. Looking back at thirty years of public funding, a producer and distributor highlighted a positive evolution, indicating how "**there has never been so much money in our sector as there is now**." (Int. 58) At the same time, as another interviewee bluntly commented, decades of public support mechanisms, and "despite the many subsidies and initiatives, have not led to a significant reduction in US dominance." (Int. 52) Positive effects are usually found when the policies are evaluated in cultural terms: as one of the interviewees pointed out, the MEDIA Programme has proved **"essential to ensure the circulation of quality European cinema in Europe."** (Int. 57) While this international sales agent with decades of experience in the sector praised these measures, it also stressed how these initiatives can also generate negative (industrial) **effects**, as they may create industrial dependencies, and generate disappointment, etc… These will be commented in detail over the following pages but before that, it is also relevant to point out what other interviewees highlighted as structurally problematic in the system, that is a "**lack of**

transparency and slow results within the European audiovisual industry." (Int. 67). While acknowledging its existence, a representative of the national office for Creative Europe in Spain (Int. 2) interpreted this flaw (lack of communication) in more positive terms. For him, it was, at least in part, a question of PR: "**we are very bad at selling the success of our programme**."

**Creative Europe as the energiser of the industry**

Two programmes stand out in the evaluations: first, MEDIA/Creative Europe, whose goal was seen as crucial to providing distributors with the means to acquire and promote challenging, often risky films. "**MEDIA support acts as a form of insurance to mitigate this risk**. [...] Films that have received MEDIA support, such as *Triangle of Sadness* [2022], have achieved both commercial success and critical acclaim. (Int. 40) "**The support from Creative Europe**[68] [in 2014 Media was integrated in this broader stand-alone funding programme] **is essential. Without it, the film landscape might collapse**," commented a Flemish interviewee (Int. 19). The programme, started by the EU Commission in 1990 is generally considered a game changer. Especially as, over the years, it experienced a significant increase in its budget. As Creative Europe, it firstly covered the years (2014-2021) and then the period (2021-2027): the difference is "[an increase of] 70% of the budget. And this, well, means that approximately but we have gone from 115, 120 million a year to 200 million a year. And we have also been able to increase the maximum aid in many of the different lines." (Int. 2) The programme is also seen as a broader **energiser of the whole film industry** in very different areas: "initiatives arose everywhere: workshops, festivals, international meetings. Professional developments from different regions and countries came together, projects were discussed, co-producers were sought and financial matters were discussed." (Int. 50) At the same time, Creative Europe is considered especially well equipped to **encourage "co-productions** that are sustainable and can be sustained over the long term. This not only promotes cooperation for individual projects, but also fosters **long-term relationships between different stakeholders** in the European audiovisual sector. The aim is thus to achieve holistic collaborations." (Int. 67)

**Eurimages vital for European collaborations**

Interviewees also highlighted the relevance of Eurimages, which is considered crucial in order to assure the viability of culturally and socially valuable projects and that European cinema is more than just the addition of (more or less) independent markets: "**Eurimages, as a pan-European**

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[68] For an overview of the various versions of the Creative Europe programmes since 2000, see: Previous programmes - Culture and Creativity.

**fund, has become more vital than ever**. Its money can 'wander' across territories, making it an essential catalyst for cross-border collaboration." (Int. 9) These funding schemes "create opportunities for better funding and ensure that projects have multiple co-production partners." (Int. 55) The transformation brought by Eurimages—"**a game changer**" (Int. 42), an "**important label**" (Int. 27)—has been profound, and it took place in a relatively short time, resulting in co-production becoming a relevant business model: "Twenty to thirty years ago, you produced a film with maybe a co-production with Wallonia, the Netherlands, or France. Today, almost no film is made without the involvement of at least two countries." (Int. 42)

**Exemplary collaboration across borders**

A significant example of how the different aid schemes may work to support a long career through the use of European support at different levels was provided by one of the interviewees. It is quoted at length, as it illustrates how specific policies have a direct influence in artistic outcomes and industrial success:

> "A project entered one of our training programs for emerging talent, which is the **Talent Campus of the Berlinale**, where it connected with a production company that, let's say, sponsored the project. Later, through this production company, a distributor and co-producer also entered the project. The project went to another **MEDIA workshop** for script updates, came up with a really good script, presented development aid, got **development aid**, was produced on a very modest budget, came back to Berlin to compete in the debut section, won the audience award, and then a **sales agent used funds** from the media investment to promote the project internationally and distributors,  many of them in the countries where it had been sold, also used **average reinvestment funds** to promote the project and this project was *Summer 1993* [2017]. The rest is history because **Carla Simón's second film also used the MEDIA system** at all levels and won the Golden Bear [*Alcarrás*, 2022]." (Int. 2)

While referring to another case (Lars von Trier), a Danish expert stressed the relevance of concrete examples like these, which "are **crucial to show that collaboration across borders can yield successful outcomes**, encouraging companies and individuals to work together and audiences to embrace European cinema." (Int. 8) In more industrial terms, another interviewee expressed similar support for these initiatives, which he described in the following terms: "**[Our companies] would not exist without the subsidies**. In the production line, we benefited from MEDIA funding for development, for production, Eurimages, slate funding; regarding distribution, we had MEDIA

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funding for distribution on projects,... All this on the two companies' balance sheets can reach a third of the revenues." (Int. 58)

**European support mechanisms supplementary**

European support mechanisms are however only part of a broader ecosystem of public funding. As one of the interviewees pointed out "European policy is more supplementary than really steering [...]. Because when it comes down to it, **it is really the countries and the regions themselves that are the driving force behind European film**." (Int. 53) Or, in more national terms: **"European policy is additional. Nordic Film and [the national] TV Fund are the most important,**" as a Danish policymaker (Int. 44) commented, while Spanish and Flemish stakeholders also shared this view.

A Spanish producer was also prone to indicate some of the negative effects of this growth: "The [Spanish national film agency] ICAA has had money left over in certain sections. In distribution aid, there is money left over because it is poorly defined in the law. At European level there is a lot of money, **there is so much money that the effect of the subsidy is being perverted!**" (Int. 58) He was not alone in making this criticism. Indeed, programmes such as Creative Europe have also contributed, in the eyes of some stakeholders, to **overproduction** as the subsidy model can eventually lead to the development of certain productions just to secure subsidies (see § 4.1). At the same time, the complexity of the situation becomes clear when smaller producers' voices are given space in these debates. As these stakeholders usually struggle with accessing bigger funding programmes, their perspective is quite different: "Our position is that we are **super underfunded**. It is true that many budgets and aid items are increasing, but considering the size of the country [Spain], its production volume, etc. we should have much more public funding for the sector." (Int. 17)

Thus, while the MEDIA Programme has been successful in many ways, **challenges** remain. The question our interviewees keep coming back to, however, is *how* this support should be channelled, or more precisely, what the principles are that sustain these policies and how they relate to the competitiveness of the industry. **Cultural diversity and industrial competitiveness** are usually seen as the **two poles that determine the debate**. Although the conflict is seldom formulated in these terms, the secretary of CineRegio (Int. 4) sharply noted: "The challenge remains balancing diversity with competitiveness. [...] I don't have a perfect solution for this balance, but it is a critical issue."

**Tax shelters and incentives**

Historically, stakeholders have indicated a notable **transformation in the forms of support**, **from direct aid to the development of tax shelters and incentives.** The evolution started particularly in the late 1990s with the introduction of **tax incentives** in countries like Ireland and the UK. Following this trend, many countries restructured their industry to facilitate international integration "by offering attractive tax incentives and maintaining relatively low costs for crew and staff. These financial incentives and cost advantages have **drawn international productions to these regions**." (Int. 26) The emergence of these incentives has changed the way European public support for cinema had traditionally been conceived for decades; it was also a reaction to some of the shortcomings that the traditional aid system encountered when developed in an international context, especially for local producers. A senior Flemish producer (Int. 12) argues that "the tax shelter [...] prevents large American productions from draining funding systems, as happened in Germany with its first tax credit system." Focusing now on Flanders, the introduction of the tax shelter "and the arrival of Flemish parties in the market, such as broadcasters, DVD distributors, pay-TV channels and cinema distributors, who saw commercial potential and invested in it." Its effectiveness now being questioned, as the paradigm that permitted this kind of development has again shifted: "Now we are reversing everything. There is a movement that is not conscious, but everything is systematically being eroded." (Int. 12)

**Supporting mechanisms contested**

This transformation of the **supporting mechanisms** has also been **contested**, as some interviewees believe it **does not adequately serv**e **the cultural principles** that should be pushing film funding: "[The model] seeks to attract **large productions**, that there is economic return, that the city appears on the screen and therefore increases tourism, etc. [...] So I understand its value, **but not as the only instrument of cultural policy**." (Int. 20) This same interviewee indicated that the introduction of this kind of model in Spain (around 2011, with a certain delay compared to other European countries), could also be seen as part of a broader trend: "It was something that was in the air, that at the time was gaining momentum in many other European countries." (Int. 20) The key aspect of this transformation, however, was that changing policies also meant a change in the type of productions these generated, as many titles are not intended for large audiences and cannot "**benefit from this model**." (Int. 20).

Another stakeholder (Int. 4), with equal experience in film policing, now on a pan-European level, channelled similar concerns: "Tax breaks are widespread across Europe, and there's a growing

concern that funding may shift away from cultural and selective schemes towards these tax incentives, which **are primarily aimed at stimulating economic activity rather than directly supporting the film industry**." Even in purely economic terms, these measures were apparently not always seen as successful in facing traditional hurdles such as overproduction. Commenting on the Belgian limited partnership scheme implemented around the turn of the century, it was widely acknowledged to have worked well. "**At the same time, you saw during that period that it sometimes seemed as if every script that was still lying around somewhere was being filmed.** So you really had to look at how to balance this." (Int. 9) This stakeholder was surely not alone in her evaluation: the development of **MediaInvest** in 2022, an equity investment instrument designed to foster European audiovisual productions and distribution businesses also went in this direction. Another example of a similar reconfiguration of the funding and support mechanisms is *Spain Audiovisual Hub*. The programme was intended to generate "a new financing instrument complementary to the bank guarantee line for cultural industries[...] This would mean about a gap financing of 400 million euros between now [2024] and the end of 2027 with a capacity to [...] invest risk capital in audiovisual operations" (Int. 2)

**Increasing competition among European territories**

Tellingly, the different implementation of tax incentives can also contribute to further increase the **differences and competition among territories** in the Union. Countries like Denmark, for instance, had for instance decided not to implement tax breaks for the film industry (Int. 44); the decision relates to one of the key issues in this debate (what are these measures really for), as it stems from the belief that "**such incentives are unrelated to the core objectives of supporting filmmaking** [as] tax breaks in other countries, like Belgium and the Netherlands, emerged due to production challenges rather than as deliberate policy choices." (Int. 4)

**Slate Development Funding**

At the time, Creative Europe was also contributing to the transformation with its interest in fostering the industry's mid- and long-term structures through Slate Development Funding.  As one representative of its Spanish National Office (Int. 2) commented with pride looking back at this transformation, which he described as **a paradigm shift in applications for development aid**:

> "There are two different calls: We have a grant to develop a single project called European Co-Development and previously, until two or three years ago, it was called **Single Project**

**Funding**. And then there's the other one, the other line that's called **Slate Funding**[69], which is for three, four, or five projects. [..] In Spain people asked for aid for a single project and not for a Slate. [...] **We had about five times less slates than France, Germany, Italy, etc., etc. and that did not match the size of the sector.** So, we convinced [the applicants] to stop asking for aid for a single project and to ask for Slates; **we have multiplied the number of Slates applications by three and we have also multiplied the income for the development of Spanish projects.**"

While this last quote provides specific information about one national case, the relevance of the Slate programme is widely recognised as central in the establishment of long-term production structures: "it gives us the opportunity as a small player to build out some structure and invest in development, which we wouldn't be able to do otherwise." (Int. 35) In addition to this, Eurimages, where chances are more uncertain, provides to certain projects "the icing on the cake."

**Regional funds**

Another crucial aspect looking back at the last thirty years is **the emergence of regional film funds** [such as the l**aunch of VAF in 2001 in one of our focus territories**] across Europe, which are believed to be central in nurturing new voices and talent, and to promote them "both locally and on a global scale. The impact of these funds is evident in the recognition received at prestigious film festivals such as the Berlin and Cannes film festivals, where selection often signifies cultural significance", commented one representative of CineRegio (Int. 4). Their objectives may vary, with some of them prioritising social cohesion and cultural branding and others defending more market friendly approaches; but generally the transformation moved towards adopting "a financing structure similar to that of France, where both national and regional governments contribute to film funding." (Int. 4) This representative also provided some examples of these developments:

"For instance, Italy now boasts seven regional film funds with a combined budget of over €1 billion. This increased regional investment reflects a growing emphasis on preserving cultural identity and language. As a result, we've seen **a rise in the production of films tailored to specific regions or communities.** This shift has been particularly pronounced in Catalonia and Scotland, where increased funding has allowed for more localised storytelling."

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[69] https://culture.ec.europa.eu/node/2979

These regional investments place growing emphasis on **preserving cultural identity and language in those territories** where such cultural aspirations have been traditionally backed by political movements. But at the same time this evolution also stresses **significant differences among EU territories**, especially if one compares larger, Western European industries, with countries in Eastern Europe, such as Hungary, Bulgaria, Romania, and Poland, as well as territories like Slovenia, the Baltic countries, Croatia, and so forth. "Only 12 out of the 27 EU Member States possess a structured setup with regional or subnational funds." (Int. 4) Countries like France, Germany, or Denmark have both a national film institute providing direct funding and additional regional funding mechanisms. "Conversely, countries like Bulgaria, Hungary, Slovenia, and Greece rely solely on the National Film Fund, alongside incentives like tax shelters." (Int. 4) The consequences are particularly felt by independent productions from countries where financing sources are limited to national funding and tax incentives. "**This reliance on a narrow range of funding sources, coupled with challenges related to democracy and corruption in some territories, poses obstacles for filmmakers without access to public funding**." (Int. 4)

**Growing internal competitiveness among different territories** is one of the (in some cases unwanted) consequences of this development. "For instance, if it's cheaper to produce Belgian movies in the Netherlands, why would you still make them in Belgium?" (Int. 13) Some interviewees (Int. 1, Int. 60) singled out these dynamics while explaining the transformation within the national market, where different regions have been for years competing with each other to attract international productions. But there is also a European reading of these problems. Denmark, again, provides the example, as it "faces increasing competition from countries offering significant financial incentives to filmmakers. [...] This trend poses **a risk to the viability of European cinema as a whole, potentially undermining its diversity and cultural richness**." (Int. 44) At the core of the problem the head of production of the Flemish film fund (Int. 53) sees a friction that is deeply related to the already mentioned t**ension between cultural and economic interests**:

> "As a member state, you get the right to give support because of that cultural uniqueness, but on the other hand, it actually promotes the free movement of people, goods and services, and you are actually not allowed to give preferential treatment to other parties. **To me, that's a bit of a tension.** But **the structure of the European film industry is actually, if you look at it very simplistically and schematically, very much based on each region, community, country promoting homegrown talent**."

**Unclear EU policy goals**

Sometimes it is not clear for some of the interviewees what EU policymaking is really seeking, as if it intends to combine such different interests that its ultimate goal may become contradictory: on one hand, they seem to advocate for cultural diversity, but on the other hand, they emphasise competitiveness and attracting private investors. Thus, stakeholders detect a discrepancy between promoting cultural diversity and supporting commercial success. "**Striking a balance between these goals while preserving the European film industry's identity and independence is essential**." This balance, this stakeholder continued, should find its reflection in those "specific goals and areas of impact for the next few years" (Int. 4), which still seem, at the moment, unclear.

Within European policy circles, some believe that **producing pan-European blockbusters** could be a **viable strategy for fighting inefficiency and enhancing the EFI's competitiveness**. Indeed, while (cultural) diversity might be at the forefront of certain policies, industrial interests often also seem to contradict them: "**The Commission wants to make big productions in the European Union comparable to the big American productions, also with a geopolitical goal**," pointed out an interviewee with years of experience among European policymakers (Int. 20). Priorities might also be dictated by departments (Directorates-General) in the Commission: "**It also depends on which department of the Commission you talk to**, because in the European Commission it is the same as in the States. It's one thing to talk to 'Competition', which is the one who regulates the aids; and that's a problem. And it's another thing if you talk to culture, to the MEDIA Programme, etc." (Int. 20) In other words, these different voices seem to reflect a **clash of visions between utopia and reality**: "There seems to be a lingering, perhaps utopian, vision of a Europe without borders that some European lawmakers are very attached to. This idea, however, ignores the realities of the business and the crucial reliance of cultural diversity and independent films, especially from smaller territories, on the current system" (Int. 40).

The commercial approach, while reasonable in economic terms, still implies an understanding of the film phenomenon (also in cultural and artistic terms) that is not generally shared in many parts of the film ecosystem. As one interviewee with decades of experience in the industry (and years as a head of a national film agency) sharply put it: "**I do not think that having a strong industry [automatically] generates valuable films**." (Int. 46)

In this regard, certain national film policies, usually read in line with the European ones in terms of defence of cultural diversity and support of independent productions, could be understood also as a *reaction to* the EU-policies. Reflecting on the transformation in the policies around the turn of the

century, one high-ranking Spanish film policymaker (Int. 46) interpreted his work in those terms: "I saw that Spanish and **European cinema were opting for the large industrial conglomerates supported by television,** and **it seemed to me that it was necessary to support not only in production, but also distribution and exhibition. Supporting independent sectors [was key]**, which is one of the principles that ended up inspiring the 2007 [Spanish] film law."

Commenting on the VAF, most stakeholders agreed that the **Flemish film fund**, which began in 2001 as a better-funded successor to an earlier film selection commission, "has certainly played an important role in professionalising the sector" (Int. 6). The VAF was instrumental in fostering the sector's growth, notably by selectively providing direct support and lobbying for the establishment of a tax shelter system, which guided private capital investments into the industry. However, as some senior professionals claimed, there is concern that the VAF risks **overextending its scope**. As a senior producer (Int. 42) sharply remarked, "It has developed its mission over time, evolving from a boutique to something that threatens to become a container park." The producer elaborated, pointing to a "lack of focus, clarity, and direction," and argued that "given their limited budget, they need to ask themselves what their core mission is. To remain effective in their role within the film and television sector, they should avoid trying to cover everything—from gaming to training and festivals."

**Equality, inclusion and diversity**

The participation of **women in the film industry is one of the areas where change has been significant** in recent years. **Policies were central in this transformation**.[70] Spain and Flanders provide interesting insights in this regard both on a national and a regional level. A representative of the Creative Europe national office in Madrid (Int. 2) indicated with certain pride how "we have launched the European Women in Audiovisual [EWA], it is quite a large network." It however is interesting to compare this perspective with that of the *Spanish Association of Women Working in Cinema and Audiovisual Sector* CIMA, who basically pointed out that networking is (often) not enough. One of their representatives referred to EWA in much more critical terms: "I spoke with EWA, the European association. They told me, 'we don't do politics/policies, we do networking'. Well, ok. **But if you don't mess with policies, you have nothing to do**." (Int. 3)

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[70] See the recent EAO report: Fontaine, G. (2024) *Female professionals in European film production*. Strasbourg: EAO.

Then this same stakeholder (Int. 3) provided some specific examples of how this is reflected effectively in legal dispositions: "We are the only European country where, according to the General Law of Audiovisual Communication [itself a transposition of the AVMSD from 2018], from the 70% of the investment budgets that platforms and generalist television have to allocate to *independent cinema*, 30% have to be for women. No other European country has that." This may be right; but it is also important to know that similar measures are also taken into account in other bodies and committees: "The reading committee of the Flemish Audiovisual Fund VAF, attaches great importance to inclusion, which is an essential part of the dossier to be submitted. [...] **It's unfortunate that diversity remains less of a priority internationally compared to its importance in Flemish cinema. Still, steps are being made, particularly in fostering representation and inclusivity in European films**." (Int. 24)

The actual implementation of these transformations was often more complicated. Again, referring to the **Spanish example**: "the Law was made... They [producers] said, 'Okay, you can be hired as a photographer. But I [the producer] am going to select the cinematographer's crew, [which are all] men and also friends of mine'." The interviewee indicated how the first years were "terrible", because every time they thought we had achieved something legally, they had to draw the lines very clearly in very practical terms, that is "the cinematographer had to be able to choose her team, as men have always done." (Int. 3)

Interviewees reflecting on these issues within the **Flemish film industry** observed that while gender equality policies had been in development for some time, efforts to advance other forms of diversity and inclusion took longer to gain momentum. This delay was partly attributed to the phased approach of such initiatives: initially, efforts were concentrated on mobilising female directors, actors, and other women in the creative sector, with activism aimed at creatives from diasporic backgrounds following later.[71] Reflecting on **VAF's inclusion and diversity policies**, a senior representative of the film fund admits that "this is fairly recent, I think you only have to go back about five years," adding that "I am quite optimistic about this phenomenon, and we're trying to monitor these issues. I know there is some pessimism and outrage, but I see a positive evolution in the influx of projects and the profiles of creators. Although it will take some time, I see a huge change in mentality: new people are coming into important positions, certain clichés are slowly being broken, and unexpected profiles popping up in leading roles. People are being cast less because of their

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[71] See De Man, A., Willems, G.J. & Biltereyst, D. (2024) Discourses of cultural diversity and inclusion in film policy: the case of Flanders (2002-2022), *European Journal of Cultural Studies*, 1-12.

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looks and gaining a place as full-fledged characters in the industry. It is a process that takes time, but I sense a positive evolution. It is then really about ethnicity, gender, disabilities, and sexual orientation."

In more general terms, the evaluation is generally positive but interviewees are also well aware of the limitations. A head of a national Creative Europe Office indicated: "**If you look at the reports we publish on gender equality in the industry, you see that there is room for improvement**. We see it. And we start from the premise that hopefully the day will come when we can do without these [support] measures. But until there is an appreciable structural change we are going to have to maintain these measures." (Int. 2)

## 7.1. Beyond production

**Aid to distribution and marketing**

This disparity of objectives, which is usually observed and criticised in the policies, may be related to the problem already addressed in a previous chapter, **overproduction.** Aid and funding programmes, and tax incentives are usually considered to be **focused on content production,** while **distribution and promotion receive less support**. The public aid ecosystem dedicates "more than 70% of its resources to production aid, less than 10% to distribution aid and less than 5% to promotion aid. [...] We support the production of works that no one knows exist," indicated a representative of the Creative Europe office in Madrid (Int. 2). He wasn't alone in the grim evaluation that extended to the shortcomings of "some existing programs that support new talent and foster transnational collaboration"; these are, in the eyes of another interviewee (Int. 8), "**vastly inadequate**." Or, as a Belgium-based senior professional with a background in distribution (Int. 6) explicitly put it: "Europe's budget for distribution is only 30 million for all of Europe, while, for example, the promotion of a film like *Napoleon* [2023] has a budget of 120 million, and the production budget is 150 million. That raises questions about proportions and priorities." Similarly, an advisor specialising in film exhibition innovation observed: "In EU film industry policies, there's a tendency to invest heavily in the production of content, with less emphasis on distribution and even less on promotion. Consequently, many **films are produced but remain unseen due to inadequate promotion** (and) nobody knows or watches them." He added that, for European film producers, "**success is often measured by the ability to secure funding for the next project rather than audience reach**."

**Effectiveness of EU policy measures**

This kind of criticism is not new, and looking back at thirty years the evaluation is usually more nuanced. That is, some of these problems may have become chronic, incapable of changing a reality still strongly determined by the US market's dominance: "those **European support measures have ultimately brought little change structurally**," interviewees conceived, "but that should not be abolished." (Int. 52) In spite of its limitations, **this model also helped to sustain growth and cultural diversity**: "I don't think they were ineffective because, ultimately, they have allowed the market to thrive and maintained diversity in Europe. Without them, we would likely be dominated by large companies [...]. In this regard, **MEDIA has been quite beneficial, especially from a distribution perspective**." (Int. 4)

However, **from a distribution and an exhibition perspective, the support is more limited.** Cinemas are primarily supported through the **Europa Cinemas network**, which is also less comprehensive. One representative of the Spanish national film exhibitors association FECE (Int. 49) formulated their demands very clearly, while also understanding that policy intervention in 'his area' (exhibition) also meant reapproaching production and distribution in a way that felt very urgent for the European film industry as a whole but also for the European film production in particular. His association called "for policies aimed at arousing the interest of the viewer as well, given that European cinema is carried out by independent distributors."

**Collaboration between producers and distributors**

A solution may be **supporting collaborative work between producers and distributors** in order to ensure the viability of the project from its very inception: "the system could change if **subsidies for films are given only if there is also a distributor**, even a small one, who puts a business plan and guarantee on the table. This would change the scope, because if no one is waiting for your film or no distributor believes in it, why make it?" (Int. 12). Or, as one policymaker put it, in order to coordinate the different interests that collide in the industry, we need to "make films that, without renouncing their exquisiteness and cultural diversity, have a capacity to seduce international audiences. **[We must] understand how to sell them from the beginning**." (Int. 2)

The lack of public support for **distribution and promotion** is especially striking if one considers the low circulation of productions abroad (even within the European market). In this regard, other European countries act not only as concurrency but as reference. For instance, one exhibitor expressed his concerns about Spain missing "an institution that is comparable to German Films or

Unifrance, an institution dependent on the Ministry of Culture, exclusively for cinema and with the aim of promoting the export of Spanish cinema." (Int. 48) A former head of the Spanish film agency ICAA voiced similar concerns and added that distribution should have been an area where much more could have been done in recent decades: "I think that, as in all policies in Europe, **production is greatly favoured.** I think they should have been more ambitious [in other areas]. [An adequate legal frame] could have encouraged those co-distribution agreements [But] that never came; the question was raised once and again, but it really never developed." (Int. 46)

**Difficult cross-border circulation of European films**

"While the MEDIA Programme has been successful in many ways, challenges remain" (Int. 40), commented one of the advisors of the International Federation of Film Distributors' and Publishers' Association (FIAD; Int. 40). With some adjustments, this evaluation also applies to other policies and programmes. Looking back at thirty years, some critical areas have been highlighted. Besides overproduction, and budget allocation, "**cross-border circulation of European films continues[s] to be difficult**, and the European film sector still faces hurdles." (Int. 40)

Indeed, circulation of European films in different countries of the Union is still insufficient; the solution may, however, be in forms of collaboration that could flourish beyond EU-programs. An international sales agent (Int. 57) indicated in this regard how "Spanish cinema is at a disadvantage in comparison with the German/French pole. **Together with Italy, these countries have co-production micro-treaties that encourage co-productions** among Italy, France, and Germany, in very advantageous conditions [...] Spanish cinema does not enjoy these conditions." In this regard, the European co-production model remains relevant. "There will always be a demand for the type of unique and culturally rich content it produces. [...] However, to ensure its sustainability, we need to enhance collaboration and focus our efforts more effectively. This may involve **prioritising certain types of projects or implementing different funding schemes** within funding agencies." (Int. 4)

## 7.2. AVMSD, geo-blocking and other paradoxical challenges

**Audiovisual Media Service Directive**

Important frictions arise when EU-policies encounter industrial contexts with their own set of values regarding state intervention, including film's cultural value and the balance of national productions. National markets may for instance "invest in films with greater resources than would be possible

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through Creative Europe. This can lead to **conflicts between countries,** as for example between France, which may be more protectionist, and other countries that would benefit more from direct imports." (Int. 67) The representative of UNIC expressed similar concerns and the necessity of taking into account **national specifics**, especially as the **situation differs widely across Europe**, where for instance in smaller countries the problem of overproduction may not be considered of great importance.

The national transposition of the Audiovisual Media Service Directive from 2018, which is generally considered **an important achievement** in the defence of the European audiovisual ecosystem, provides a good example in this regard. **"I am not sure if it is a good thing**," commented one of the interviewees, "actually, the AVMS directive is something that has been dealt with at the European level, whereas they don't have the competence to do so. So, it is something that has been decided a long time ago for other countries. **But for France… we have to fight every day to just have the possibility in my own country to have a very demanding cultural policy. That's not obvious anymore.**" (Int. 51) The quote stresses again **France's relevance** as reference for many of the questions discussed in this report, but it also helps illustrate how the general framework provided by the policies can feel in some cases limiting or even counterproductive for national interests.

Looking back at more than two decades of positive cooperation with the MEDIA/Creative Europe, one representative from the heritage film festival Cinema Ritrovato in Bologna (Int. 10)  also indicated how at some point the programme wanted to encourage the collaboration among festivals: "You are obliged to work at least three festivals together and to make it more European. Okay, we work with 20 different partners in Europe, or even more [...] But then they changed their mind. **We have our own identity, our own project. You cannot be forced to work [together**] [...] We are a little bit out of this scheme, we are a little bit out of the standards for MEDIA." The search for a common ground on cultural policy that elevates standards therefore reaches its limits when it is confronted with the realities of the film ecosystem, be it in the form of a film festival with a decade long, widely acknowledged cultural profile or the specificities of film production. A stakeholder with decades of experience in the industry, especially in the acquisition business (Int. 6), lamented that t**oo much time is spent on European regulations**, which may have been the result of a long process, "but **in the end they come up with something as ridiculous as that every product has to comply with the same rules everywhere, which makes no sense**."

**Need for horizontal collaboration and dialogue between the Union and the sector**

Some of the interviewees do indeed see the necessity of increasing the dialogue among different players as central to **overcoming this drive to homogenisation and incorporate more voices more effectively**: "I advocate for a **European policy approach that is responsive to the sector's needs on a horizontal level**. For instance, on the **piracy** issue, we worked extensively on the Digital Services Act, but our specific requests were not fully integrated into the Commission's proposed text. Similarly, on geo-blocking, while there was strong support from our sector, the final legislative outcomes did not fully address our concerns." (Int. 40) Overall, it is believed that a more responsive and comprehensive European policy could better support the diverse needs of the film and AV sector.

**Removal of geo-blocking**

As already commented in Chapter 5, **geo-blocking is one of those issues where the interests of EU policymakers do not really align with those of the industry.** On one hand, an argument states that if Europe pays for a movie, then all of Europe should be able to see it. "On the other hand" one of the interviewees indicated, "people wonder how movies will be financed without geo-blocking". In his view, there were more than just industrial concerns at stake: "**The perverse thing about that kind of thing is that removing geo-blocking plays into the hands of the big studios in particular**. [...] **It is sometimes mistakenly seen as withholding from the market, but it is actually the opposite.**" (Int. 19)

Geo-blocking "**is something that we managed to save a few years ago and that is, and I think we still believe, that it is essential for the future of European film rights.**" (Int. 33) The quote is from one representative from the European independent distributors (Europa Distribution), but a representative from the European association of film and television producers Eurocinema (Int. 51) shared similar concerns. She indicated that the European Commission opposed the model but also criticised how this EU approach was forgetting a crucial principle of its own cultural policies: "**I'm not saying I'm not European, but I'm saying that they are using this tool they have created to be more American in the way that they are actually advocating for the American interest at the moment.** They want us to be an economic commissioner for them, that's it."

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## 7.3. The hurdles of bureaucracy

**Complicated, slow and exhausting bureaucracy**

Beyond the specific criticism of their homogenising tendencies, critical assessments on European programs tend to point out a certain lack of understanding of the specific work in the film industry: "**Sometimes they don't understand that a visual project is dynamic. There cannot be very rigid rules,** because in a year the situations can change, they can change the ending. Funding can be changed if a co-producer falls out and does not get a grant. So, it's complicated [...] sometimes it looks like a puzzle in 10.000 pieces" (Int. 17). This **lack of dynamism in the EU-policies and support mechanisms** has been also usually highlighted in contrast to the American industry: "**In Europe, you cannot decide after two years of development that a project is no good and not make it,** whereas in America you would write off the project. You can't do that here." (Int. 64)

> "**My personal experience with European policy, especially when applying for funding from Creative Europe, was a long and complicated process. It required meticulous attention to detail and adherence to guidelines.** [...] A **well-known problem** at Creative Europe was that incorrect administration could be severely punished. This required a lot of time and energy to keep up with, as a mistake could have major consequences for funding." (Int. 50)

The previous quote comes from a documentary film producer but distributors seem to share similar concerns while applying to the programme: "I have worked in distribution for 30 to 35 years, **but when I look at the Creative Europe website, I get completely lost in the terminology**. [...]. The bureaucracy is just agonising." (Int. 6) Some examples of these **exhausting bureaucratic dynamics with the EU offices** are related to a question of **growing concern in recent years: the support of ecological sustainability in the film production sector.** Specific guidelines are outlined in a 'Greening of Creative Europe' initiative, which references a detailed report, monitoring tools, and guidelines for production houses and stakeholders to follow when applying for funding. At the same time, sustainability accounts for approximately only 5% of evaluation scores, although it plays a crucial role in shaping the sector's future. "While sustainability is not mandatory, it does play a role in grant application evaluation." (Int. 67) Thus, the first steps in this regard do not seem to be

especially successful. They are more interested in complying with the required paperwork than actually being effective:

> "We must calculate the CO2 emissions of every film production, which feels like an unrealistic demand. This is because each day of shooting adds more $CO_2$, and the concept of a CO2-neutral film seems unfeasible. Moreover, we have to fill in the settlements according to different templates from film funds, such as Eurimages and Creative Europe. **These templates differ and make the process more complex. The whole system seems to suffer from a lack of uniformity and efficiency."** (Int. 47)

**Questions on the selection procedures**

The problem is also recognised on the other side of the aisle, that is, by those evaluating the projects. Due to the structures of the funding schemes, solutions are not easy to find: "As a member of committees, I **have seen that films sometimes receive funding based on compelling dossiers, but that this does not always lead to successful films**." (Int. 6) The formalities in the work of committees, their tendency to stay within specific frames of mind is furthermore "fuelled by online applications and templates. For example, the idea that a 30-page scenario cannot be good because it does not match the 90-page standard." (Int. 47) Similar complaints were raised with regard to Eurimages, where, as a Belgian producer (Int. 35) argued, there is also a process of heavy "bureaucratisation": "It's a lot of work, and the selection system has also changed now, and I feel like it's becoming l**ess predictable** than it used to be, which projects that then get supported." And he continues: "There is a chance that **decisions are made strategically** by representatives of the funds (...) and that's where I kind of **doubt the quality of those lecturers**, to be honest."

Is this kind of support primarily conceived for larger productions? Producers commented how **smaller production companies** usually see the process of application for EU-fundings as such **an obstacle**, that it is discouraging: "the cost associated with co-producer, translations, the whole system to get it out there, investment commitments that you have go through, **that don't necessarily increase the efficiency of production.... I don't think that it's worth about half the money that goes into it**. Of course, you can say it's very enriching that there's cooperation between countries, I totally agree with that. But **it's very inefficient**." (Int. 12)

From the perspective of the producers, this kind of support is sometimes paradoxically seen as somehow aspirational, but not as a first (helping) step: "**When you're starting out, you don't think about it.** [...] In other words, it's like a stepping stone. At the beginning you have enough with... let's

see if I can raise a project here with the [regional government] Generalitat, the television channels." (Int. 17) While this opinion comes from a representative of independent audiovisual producers in Catalonia, his concerns are shared especially by colleagues coming from other countries, where co-production is usually seen more as a necessity than as a creative option: "From a pragmatic perspective, co-production is often seen as a necessity for smaller countries like Denmark to secure funding. While it provides essential financial support, the process can be cumbersome and involve significant bureaucracy." (Int. 55) These interviewees share also the conviction that certain European funding schemes function only at a certain level, that is for mid-size or bigger projects: "**I think that it is only when you reach a production level, then you can have [Europe] in mind**." (Int. 17)

In spite of specific difficulties for smaller companies and the threat of "having too many chefs in the kitchen" (as one producer argued, Int. 42), the possibility of co-production is still valuable on other fronts (creative control, changing legal and industrial landscape): "Traditional European **co-production models** still hold value, especially for maintaining creative control and ownership of intellectual property." (Int. 4) Not only are producers facing a challenge, to remain competitive with streaming platforms funding processes also have to change:

> "By ensuring that public funding is allocated efficiently and transparently, we can make European co-production models more appealing to independent filmmakers. [...] By implementing stricter contractual agreements and safeguarding **intellectual property rights**, we can protect the interests of both filmmakers and taxpayers. Additionally, fostering greater collaboration between industry stakeholders and government agencies can help streamline the funding process and make European co-production models more competitive in the global market." (Int. 4)

**Size and impact**

It is compelling to see that other parties involved in the process (a national Creative Europe office) also recognise some of the risks attached to the current funding structures: "**Bureaucratic processes for some are a limitation, especially for very small structures.** Where, let's say, there is no command of English either." (Int. 2) They do not automatically see it as a crucial problem, but rather as a form of selection, a mechanism to support the fittest among all competitors: "**But nothing happens in the end because these small structures would not have the profile that we seek to support either.** They are too small companies and with too small projects. We are really targeting companies that already have a certain history, that already have experience [...]. So, **we**

don't push from below, but we pull from above. In other words, we help those who are already having a certain degree of success." (Int. 2) Or, as seen, from another, more critical angle that combines an industrial and an artistic reading of this development: "**Although it calls itself Creative Europe, they actually seem to prefer mainstream projects.**" (Int. 47)

Hence, referring to a recent report on conglomerates in the European audiovisual industry,[72] a representative of a national office of Creative Europe praised it "because it explains why size matters": "Because we see that there is a relationship, **a multiple correlation between size and impact**." So, this report is one of the pills that must be taken before saying in public that there is overproduction." (Int. 2) Zooming in again in the Spanish example, a retrospective evaluation of its participation in European programmes over the last three decades by the national Creative Europe office provides a critical perspective on certain tendencies in its industry that may explain the lack of appeal of these support measures:

> "**Spain [...] has an average participation in the programme that is well below its volume as an industry.** And this has to do with two things. One, that there is a strategic look at Latin America rather than Europe. Through participation in Ibermedia[73] and through a common culture, the Spanish language, etc. **And also because people prefer to be a big fish in a small pond than competing in a bigger one.** [...] It is not only the fault of the sector, I think that it was also at that time [pre-2014] the fault of the average office itself, which had a communication policy, in my opinion, that could be improved." (Int. 2)

And yet, again from another perspective, this process of support of the fittest, somehow contradicts some of the principles behind the aid system: "**Grant schemes reward the person who succeeds**. And this is fantastic, but only when you're successful," pointed out one producer and distributor (Int. 58). This may generate pernicious dynamics: while there is a general agreement about the positive impact of the funding and aids, some interviewees point out certain deviations that affect the market as a whole: some productions would then be made that should not have to; others are made for higher prices as originally conceived. "In my opinion, a subsidy makes sense, it has a reason to exist, when a market failure has to be corrected," (Int. 58) stated for instance one Spanish producer and distributor, "**but we're in situations where, well, where the rich get richer.** [...] The subsidy

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[72] Meir, Ch. (2021). *European Conglomerates and the Contemporary European Audiovisual Industries: Transforming the Industrial Landscape Amid the Arrival of SVOD Platforms, a High-End Television Boom, and the COVID-19 Crisis.*
[73] Programa Ibermedia was launched in 1997 in Madrid to support the film and audiovisual industry across Ibero-America. https://www.programaibermedia.com/

is there to mitigate risks. And, of course, if I generate subsidies, it is to invest and not to raise prices." (Int. 58) Bureaucratic dynamics sometimes generate unwanted effects when for instance certain projects may be done as the alternative implies returning funds already allocated to their support:

> "**So, everything gets made.** That in itself is not bad or not good, but you have that. Distributors have typical dynamics. They say, for example, 'My pot of automatic support of 120.000 I have to allocate to the Netherlands'. And the sales agent selling to you knows that too. Sometimes they come up with an inflationary MG, and then you might still buy that film too much. These are all necessary things. But for me, there are a lot of films being pushed into the market, leading to fragmentation. That's starting to become a bit pernicious." (Int. 64)

## 7.4. Chapter conclusion

Stakeholders positively highlighted the increase of public support mechanisms over the last three decades and their crucial impact on European cinema. European funds are an important part of this support, but only as part of a broader system of public funding that also included national and regional aid. All of them have been central for the nurturing of an industry that many saw still as de facto quasi-non-existent in the first years of our analysis and supporting cultural and artistic diversity. However, these policies still face important challenges: among them, interviewees mentioned an occasional lack of clear objectives capable of mediating the basic tension between EFI's cultural relevance and its economic sustainability. They also pointed out an excessive focus on production at the cost of a more effective support of distribution; the friction that sometimes emerges between the common policy framework and very diverse market realities; and the hurdles of bureaucracy, caused by what some stakeholders see as a lack of understanding of the specific work in the film industry—it usually results in a call for horizontal collaboration and dialogue between the Union and the sector.

The **Spanish case** study provided further specifics to this narrative. It highlighted the impact of the MEDIA/Creative Europe and its support of long-term programmes, such as Slate Funding, which have been central in the creation of a stable industry over the last two decades. But it also helped illustrate how policy develops towards more market-friendly approaches capable of generating new complementary financing instruments (*Spain Audiovisual Hub,* also with strong European support).

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The **Flemish case** helped illustrate some of the particularities of a key trend in the period of analysis: the emergence of (and in the case of Flanders, better funded and strengthened) regional film funds across Europe. These funds played a central role in nurturing new talent, establishing or bolstering the film and audiovisual sector, and, in some instances (as in Flanders), successfully helping the sector grow into a full-fledged industry. Here, the fund acted as a pivotal, catalytic force in supporting film production and mobilising capital investment through tax shelter systems. This process often unfolded within the framework of a mixed policy that sought to balance two objectives: constructing, preserving, and strengthening cultural identity and language on the one hand, and building a robust, fully developed industry on the other.

# 8. CONCLUSIONS: LOOKING BACK (AND MOVING FORWARD)

> "*The challenge remains balancing diversity with competitiveness.*" (Int. 4)

> "*The big issue* [...] *is whether it is feasible to create a single European space within the EU, without sacrificing what makes Europe so rich, which is the diversity of its cultures. Or if, in doing so, the audiovisual is being put in the hands of a few corporations, mostly controlled by the big studios and platforms.*" (Int. 57)

**Writing a bottom-up history of a cultural industry in a state of flux**

The central aim of this report was to write the **EFI's recent history from below**—from the perspective of those who, so to speak, shaped or at least played a significant, active role in it. The authors of this report believe it is critically important to engage with and listen to the voices of those who experienced firsthand the fundamental changes and day-to-day challenges in the EFI of the past three decades. This era—which, in hindsight, will likely be remembered as a time when, to paraphrase a recent *Nostradamus Report*,[74] "everything's changing all the time"—has seen seismic shifts that have "fundamentally altered the landscape for films" (Int. 26).

For this report, we conducted extensive, in-depth interviews with a substantial number of senior professionals (n=68) from various sectors of the European film and audiovisual industry. In addition to including representatives from pan-European organisations, our research focused on two key territories—Spain and Flanders—allowing us to highlight both the striking similarities and notable differences within the EFI. As researchers, we were deeply struck not only by the interviewees' openness, willingness, and heartfelt enthusiasm in sharing their insights and experiences with the recent changes and challenges in the industry but also by their profound **pride** in their work. Their **engagement**, **professionalism**, **unwavering belief in the unique strengths of European cinema**, and the **rich depth of their accounts** left a lasting impression on us.

To fully capture the richness of their insights, we crafted a narrative that emphasises interpretations of their accounts, with the aim of preserving the experts' thought-provoking opinions, feelings and often subjective, revealing and lived experiences. While this approach obviously has its own

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[74] Koljonen (2023).

limitations, such as the experts' subjectivity, potential 'parti-pris' bias, and corporatism, we believe that our perspective contributes to, or at least holds a place within, research on the EFI as it aims to capture **key witnesses' experiences, and the dynamic and ever-evolving nature of an important cultural industry**.[75] However, we are fully aware that we may not have been able to capture all the opinions of those interviewed, and we acknowledge that many valuable ideas, metaphors and analyses may not have found their way into this report.

**Cinephilia, film culture, and the place of film**

One area that has been largely unexplored, or only minimally addressed, is the experts' perspectives on the **rapid growth and diversity of film festivals over the last three decades**. Interviewees were largely unanimous in viewing festivals as key institutions that shape cultural debates, foster networks, and influence the dynamics at the heart of European film culture. While somewhat critical of the proliferation of different types of festivals, they emphasised that these events play a crucial role in nurturing cinephilia, promoting films, and facilitating industry networking. Festivals occupy a central position in a film industry that seeks alternatives to big blockbusters and mainstream commercial cinema. They are considered vital in offering counterpoints to the overwhelming power of global VOD providers, making them especially important for promoting national and independent European films. As one interviewee (Int. 4) stated, "while streaming platforms have certainly changed the landscape of the film industry, traditional festivals still play a crucial role in cultivating audiences."

This ties into a broader, crucial issue that our senior experts extensively discussed: the **current state of film culture and cinephilia in Europe,** and more generally **film mediation**, or the mechanisms that determine how (European) films reach their audiences. On the one hand, interviewees expressed criticism and a sense of disillusionment regarding what some described as the diminishing knowledge of film history and culture. They pointed to the lack of attention given to (European) films in the press, by commercial and public broadcasters (Int. 68), and the decline of film criticism, particularly in the online sphere. On the other hand, they acknowledged the vital role of institutions such as festivals, (film) schools, museums, archives, and public broadcasters in sustaining film culture. A significant shift, according to the interviewees, lies in the evolution of film

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[75] Given the limited space of this report, we were not able to develop many of the crucial issues, which surely require more space and discussion, and where the interviewees' statements are further interpreted and confronted with hard industry data or insights from perspectives such as political-economic, policy and industry analysis. We hope to be able to do this in further publications and other forms of research valorisation.

theatres and cinema-going practices, which they see as central to the transformation of film culture. The COVID pandemic accelerated this evolution, with theatres now functioning as more "situated" spaces, increasingly integrated into urban environments (counteracting a previous trend of placing them outside city centres). At the same time, these venues are still seen as vital for promoting quality and diversity, values that remain key forms of differentiation for European cinema.

On a broader scale, interviewees discussed—and to some extent problematised—the **current state of film** and its role within the audiovisual landscape and, more generally, in society. This report has already touched on several urgent issues related to the survival of cinema, particularly the challenges around film production, distribution, and exhibition, both historically and today. However, interviewees also delved into deeper questions about the very nature of film—a certain kind of ontology of the film, the cultural context surrounding it, especially feature films, the one-off, non-serialised audiovisual product, and its place in the contemporary ecosystem of mediated entertainment. The diversity of perspectives on these matters warrants further exploration, as views ranged from being quite pessimistic to more optimistic. In the face of unlimited access to films in an online environment, where thousands of titles can be accessed in mere seconds, an important senior researcher at the EAO (Int. 36) spoke of the "**trivialisation**" and "**banalisation**" of film—a phenomenon where film seems to have lost its aura, with "scarcity replaced by abundance." Another interviewee (Int. 27), a former film director, producer and policymaker widely regarded as the '*éminence grise*' of Belgian cinema, argued that film has in many cases become the "**Research & Development" department for the audiovisual sector**. While no longer being the heart of the industry, it still plays a crucial role in trying out new things, developing new types of storytelling and creating innovative styles, while also retaining its aura of being a special place for experimentation and innovation—in an ideal world, film is still a place where uncertainty and the "advantage of the doubt" remain guiding creative principles.

**European cinema: between confidence and despair**

Many of our interviewees, however, tended to disagree with that evaluation. They did not view the film as a relic of the past or as something merely reducible to the R&D department of Europe's audiovisual sector. Throughout this report, we have highlighted numerous examples and testimonies that demonstrate the **liveliness and resilience of the EFI**—whether in film production, distribution, or exhibition—as well as the changes, challenges, and paradoxes that have shaped its recent history. There is likely no need to reiterate or summarise the many incremental changes and major trends that have transformed the EFI from a collection of disparate film sectors before the millennium

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into a **much more dynamic, interconnected, yet still quite fragmented network of film industries** thirty years later. This transformation involved **processes of digitisation, professionalisation, industrialisation, concentration, conglomeration, trends towards multimedia strategies, the arrival of new generations**, as well as an increased, yet still probably underfinanced set of **policy support mechanisms**.

In this report we highlighted changes, challenges as well as **paradoxes** in the EFI's recent history. Many of these seemingly contradictory trends leave us perplexed and uncertain, yet they may hold the potential to offer a deeper understanding of what is at stake. Take for instance the one on the end of the cinema theatre vs. its survival and resilience. It is about the co-existence of the quasi-unlimited supply and consumption of films in an online environment, where a multitude of titles can be accessed cheaply, against the enduring appeal of cinema as a physical space and the practice of cinema-going as a communal form of leisure. It is about understanding the complex and appealing nature of today's film culture and experience.

When examining the state of the EFI in terms of **paradoxes**, it is important to recognise that they **may well represent the essence of European cinema**. Take, for instance, the much-debated issue of **overproduction and overabundance of European film titles in cinemas**. If the conjuncture takes a negative turn, overproduction becomes a symbol —some will probably argue that it reflects poorly on the use of public funds. However, if the conjuncture moves in a positive direction, overproduction can be seen as a sign of a flourishing market, offering audiences a wide array of choices. It could then be seen as the outcome of a Europe of nations and regions that promote cinema as part of economic, cultural, and identity politics, as well as the continent's rich cultural and linguistic diversity.

In reflecting on these paradoxes and processes of change, it is important not only to recognise similarities and differences between the three territories (which would require a more comparative approach), but also to move beyond a narrative that focuses solely on short-term events, milestones, institutions, and individuals. This calls for a more **conjunctural approach**,[76] one that examines the interconnections between different types of changes—such as those in technology, policy, economy, and beyond–, while also connecting shifts across production, distribution, exhibition, and beyond. An interesting testimony on these more long-term, conjunctural changes came from a senior

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[76] See, in this context, the (theoretical) historical work by Fernand Braudel, who made a distinction between a history of events, conjunctions, historical eras and epochs.

producer and a key player in the Flemish audiovisual sector (Int. 12), who compared the period of 1990s and early 2000s with the more recent period by using the **metaphor of the perfect storm**:

"There was a **perfect storm** with the arrival of VTM (commercial broadcaster), the emergence of independent professional production houses, the arrival of the VAF with a clear framework, the arrival of the tax shelter, players in the market such as broadcasters, DVD distributors, pay-TV channels and cinema distributors who saw commercial potential and co-invested. This perfect storm led to a very favourable period of 10-15 years where we were able to professionalise and build a performing industry. But **now we are actually in a fundamentally unhealthy situation** that is eroding our industry, fragilising it, so I predict that a number of production houses are going to close their doors soon anyway. It's already happening."

The "**negative perfect storm**" referred to by this testimony encompasses the many challenges currently facing the EFI. These challenges include "the **effects of the pandemic**; **distributors, production companies, and other cinema-related businesses** emerging from this period **weakened**; **cost-cutting measures within the tax shelter**; and **changes in government funding**." Additionally, "the **loss of DVD revenues**, the **withdrawal of broadcasters** from the industry, and the **rise of streaming platforms** (which) have further complicated the financial situation."

It is against this **conjunctural backdrop—a mix of confidence, post-COVID euphoria, and despair**—that the interviews should be understood, highlighting **the urgent need for policy measures and industry initiatives to reverse the trajectory of the storm threatening the EFI.** A crucial question, the "elephant in the room" as some interviewees called it, remains the **relationship between Hollywood and the EFI**. We have observed that few senior professionals frame this relationship in terms of categorical oppositions. For certain stakeholders in the EFI, particularly commercial exhibitors, it matters little whether they are dealing with Hollywood or European films. The same is true for European distributors, streamers, and audiences. Thinking in terms of opposition is no longer productive for European producers as well as some hope to capitalise on the activities of US streamers, seising opportunities to expand their reach both in Europe and globally.

However, few in the industry would deny the assertion that **US players' influence on the European filmed entertainment industry** (and the broader media and communication sectors) has become more **systemic** than ever before. In this regard, one of the key findings from the interviews is that

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senior professionals provided numerous examples and insights into the **impact of this dependency**, which encompasses **financial reliance, strategic decision-making, job creation, creative autonomy, and even policy decisions.** In their testimonies, many senior professionals consistently defended the European model, emphasising its foundation on an industry that fosters diversity and sustainability. Considering the disappointing experiences with "Europuddings" and other initiatives where film producers sought to remove Europe's cultural specificities, there is likely no need to replicate the US model.

**Final note on policy recommendations**

This report set out to craft a historical narrative of the changes, challenges, and paradoxes within the EFI, rather than focusing primarily on future developments. Nevertheless, given the numerous challenges and the "perfect storm" currently facing the European filmed entertainment sector, many senior professionals provided suggestions for strengthening the state of the EFI. Some of these policy recommendations ventured into the realm of dreams, envisioning a sort of utopian world where European cinema could truly flourish. Others offered concrete and actionable suggestions, providing valuable insights that will be considered for inclusion in the Policy Brief derived from this report.

In previous chapters, we already touched upon several policy recommendations formulated by the interviewees, focusing primarily on those related to the supranational level, particularly the EU and the CoE (Council of Europe). Suggestions concerning national (e.g., ICAA in Spain) or regional institutions (e.g., VAF in Flanders) were either omitted or not elaborated upon. This decision was made to maintain the readability and accessibility of the report for its intended readers. Before briefly highlighting the most frequently mentioned recommendations, we would like to emphasise that the interviewees were **generally positive about the current policy directions**. They also expressed strong appreciation for the work and efforts of those professionally involved in film funds and other policy-oriented or support institutions, such as the EAO, which plays a key role in providing data and analysis for the sector.

Naturally, there were criticisms and suggestions regarding the functioning of these institutions—some of which seemed to stem from the interviewees' own concrete negative experiences. A key set of recommendations included calls for **greater transparency and significantly reduced bureaucracy** in the often time-consuming processes of submitting and evaluating project proposals. Respondents proposed **simplifying the procedures associated with securing support,**

**increasing the influence of (film) professionals**, and **lowering the administrative barriers** currently in place.

An overarching recommendation, which is perhaps unsurprising, is that interviewees consistently called for **more robustly financed support mechanisms**. This appeal applied across all levels—supranational, national, and regional—and, at first glance, might be dismissed as a predictable lament from a sector often associated in the public eye with stardom, exorbitant salaries, and red carpets. In addition to the fact that this rarely applies to European cinema, this report aims to highlight how most respondents stressed the immense challenges faced by an industry that, over the past three decades, has successfully transitioned from a 'sector' to a fully-fledged industry. From a broader perspective, one can only be deeply impressed by what the professionals in this industry have achieved and **how effectively they have utilised the limited budgets provided by public institutions.**

While this may seem like an easy defence of the sector, it's important—despite our effort to avoid hard data in this report—to compare **budgets and market sizes** in order to maintain a clear understanding of what is truly at stake. For instance, when we compare the production budget of a US blockbuster like *Napoleon* (2023), directed by British director Ridley Scott (estimated at $130–200 million), with the annual film production budget in Flanders provided by VAF (€11.8 million), one can only conclude that this funding has been an example of **clever seed money**. Similar comparisons can be made for supranational initiatives supporting European film production, such as the Council of Europe's Eurimages (€27.5 million per year) or the highly fragmented budget of Creative Europe. Interviewees stressed that if European policymakers accept or recognise that cinema is valuable in terms of its **cultural impact, economic value, and job creation**, they need to respond by structurally **strengthening support**.

Delving deeper into the senior professionals' policy recommendations, it is clear that many emphasised that **EU policy goals** generally remain **unclear**, as well as that there is a need to move **beyond supporting film production** and to focus on **strengthening initiatives related to exhibition, distribution, and promotion of European films**. Attention should be directed toward initiatives that **enhance co-productions, cross-border circulation, and the distribution** of films made in the EU and Europe. There should also be a greater emphasis on **promoting European films and fostering European film culture**. In this context, interviewees mentioned the importance of strengthening the mediation side of film culture, such as **promoting cinema literacy** in education and encouraging **public broadcasters** to give as much attention to European films as they do to

(mostly Hollywood) blockbusters. Again, this calls for a more **integrated approach to strengthening film culture**. While it might be dismissed as an academic endeavour, such an approach is also crucial in industrial terms, central for creating an environment where people will become more interested in European films than they are today.

This brings us to the issue of **data and knowledge about audiences**. While the EAO is an extremely effective institution, there is a call for a more fine-grained understanding of audience behaviours and preferences. One can only be perplexed by the fact that probably no other players are better equipped than US streamers to have this kind of detailed and strategically important data on European audiences. Following the adage that knowledge is power, the EFI and European policymakers should invest more in bridging the knowledge gap. This could take several forms, one of which would be requiring streaming platforms operating in Europe to share anonymised audience data with EU institutions and independent distributors to improve market transparency.

There are many other policy recommendations, such as **combating piracy**, **strengthening existing content quotas for European works on streaming platforms**, **strengthening co-production micro-treaties**, investing more in cinema exhibition in markets with **underserved or underdeveloped cinema infrastructures**, creating a coherent policy framework for helping exhibitors to **fully explore and use digital tools (and AI)**, addressing national policy measures regarding **tax shelters and other financial support mechanisms that create intra-European competition**, investing more in **audience engagement** in film exhibition, or **supporting the industry to focus more on underrepresented groups** like youth, women, the elderly, and people with diasporic backgrounds, and so on.

However, perhaps the most fundamental call from the interviewees was to **abandon top-down policies** that could harm the EFI's interests and to **engage in a dialogue** which fully takes into account the professionals' expertise and experiences when developing policies related to the filmed entertainment industries. This includes accepting that—whether we like it or not—the EFI is a plural reality. It involves engaging in meaningful dialogue and respecting the unique characteristics of these industries, rather than rigidly adhering to counterproductive principles that could harm the EFI's interests. Regarding issues like windowing or the potential abandonment of geo-blocking, our senior professionals were largely unanimous in their view that policymakers' positions often contradicted the EFI's interests and appeared to be influenced by GAFA (Google, Apple, Facebook and Amazon) and other powerful lobby groups.

Policy guidelines should thus accept that **Europe's film industry shouldn't mirror that of the USA and its mega-concerns**, and recognise, as one interviewee who worked as a lobbyist in Brussels (Int. 13) pointed out, that Europe and the EU are "a union of different markets." The senior professional also emphasised that "looking at the industry's success, we see that while US box office and admissions have plateaued and are declining, Europe's are slowly rising," adding that "despite the dominance of big studios, European audiences are increasingly going to the cinema and consuming more content." It's about acknowledging that, much like Europe's food, beverage, fashion, and other cultural industries, the EFI is a "milky way" made up of a multitude of producers, distributors, and exhibitors.

It's also about **diversity, quality,** and the almost **mythical essence of cinema**: the stories we tell, and the ones we allow to be told about ourselves and to ourselves. Reflecting about change in the industry, one of our interviewees (Int. 2) tended to disagree, and claimed that "it hasn't changed at all":

> "Look, everything has changed, but nothing has changed. (...) We have gone from the analogue world to the digital world, which has **changed processes** a lot. But **what hasn't changed is that people still believe and want to see well-told stories with characters they can relate to**. There's always a **demand for good stories and good characters**. (...) The public always **believes that European content is more sophisticated than American content**, which is more spectacular (...) And this has not changed."

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# APPENDIX 1. LIST OF INTERVIEWEES

| Nr. | Organisation (function) | Subsector (production, distribution, exhibition, policy, other) | Gender (female, male, other) | Date, place, length of the interview in minutes |
|---|---|---|---|---|
| 1 | Madrid Film Office (communication technician) | policy | M | 01/02/2024, Madrid, 89' |
| 2 | Media Office Spain (managing director) | other (cultural foundation) | M | 14/3/2024, video call, 70' |
| 3 | CIMA/Asociación de Mujeres Cineastas y de Medios Audiovisuales (film and television producer) | other (private association) | F | 14/03/2024, Madrid, 92' |
| 4 | CineRegio (secretary general) | policy / production | F | 02/05/2024, video call, 86' |
| 5 | FEDICINE/Fedicine Federación de Distribuidores Cinematograficos (Film Distributors Federation) (president and general director) | distribution | F | 15/04/2024, Madrid, 53' |
| 6 | Orange Entertainment (independent advisor) | distribution | F | 02/26/2024, Brussels, 94' |
| 7 | A Contracorriente Films (executive director) | distribution/ production | M | 15/11/2023; Barcelona, 84' |
| 8 | University of Copenhagen (scholar) | other (research) | M | 06/02/2024, video call, 49' |

| 9 | NFF/Nederlands Fonds voor de Film (former CEO, independent advisor) | policy | F | 17/04/2024, video call, 78' |
|---|---|---|---|---|
| 10 | Il Cinema Ritrovato Film Festival (coordinator) | other (film festival) | M | 07/05/2024, video call, 45' |
| 11 | PROA/Productors Audiovisuals Federats (executive manager). | production | F | 28/11/2023, Barcelona, 71' |
| 12 | Eyeworks/Warner Bros. International Television Group (head production) | production | M | 05/03/2024, Ghent, 84' |
| 13 | Independent researcher, UNIC/International Union of Cinemas (former researcher) | exhibition | M | 28/03/2024, Brussels, 117' |
| 14 | CICAE/International Confederation of Art Cinemas (president) | exhibition | M | 02/04/2024, video call, 89' |
| 15 | ICAA/Instituto de la Cinematografía y de las Artes Audiovisuales (Spanish National Film Agency) (former/current head of the institution) | policy | M | 12/12/2023, Madrid, 93' |
| 16 | Studio 100 (Director Content Distribution & Partnerships) | distribution | M | 18/04/2024, video call ,57' |
| 17 | PAC/Productors Audiovisuals de Catalunya (vice president) | production | M | 29/11/2023, Barcelona, 97' |
| 18 | Independent filmmaker | production / policy | M | 01/02/2024, Ostend, 99' |

| 19 | Lumière Group (CEO) | production / distribution / exhibition | M | 02/02/2024, Ghent, 78' |
|----|---------------------|----------------------------------------|---|------------------------|
| 20 | ICAA/Instituto de la Cinematografía y de las Artes Audiovisuales (former/current head of the institution) | policy | F | 18/12/2023, Madrid, 86' |
| 21 | European Commission DG RTD (staff member) | policy | F | 02/05/2024, Brussels, 72' |
| 22 | FFG/Film Fest Ghent (artistic director) | other (film festival) | M | 02/02/2024, Ghent, 108' |
| 23 | Lumière Maastricht (artistic director) | exhibition | M | 29/04/2024, video call, 92' |
| 24 | KFD/Kinepolis Film Distribution (head) | distribution | F | 29/02/2024, Brussels, 102' |
| 25 | Instituto Cervantes Madrid (Culture Department) | policy | F | 20/09/2023, Madrid, 107' |
| 26 | Europa Cinemas (CEO) | exhibition / policy | F | 05/04/2024, Paris, 108' |
| 27 | VAF/Vlaams Audiovisueel Fonds (former CEO), former independent film producer, former filmmaker | policy / production | M | 14/12/2023, Ghent, 168' |
| 28 | Kinepolis Group (CEO) | exhibition | M | 15/02/2024, Ghent, 88' |
| 29 | Knack (film critic) | other | M | 23/01/2024, Brussels, 94' |

| 30 | Europa Cinemas (former co-coordinator and study officer) | exhibition / policy / other (research) | M | 05/04/2024, Paris, 108' |
|----|---|---|---|---|
| 31 | Europa Distribution (managing director) | distribution | F | 26/02/2024, Brussels, 110' |
| 32 | General Direction Spanish in the World. Spanish Ministry of Foreign Affairs, European Union and Cooperation (General Director) | policy | M | 21/3/2024, Madrid, 70' |
| 33 | A Contracorriente (associate member and Co-President of Europa Distribution). | distribution / production | M | 29/11/2023, Barcelona, 92' |
| 34 | Ghent University (scholar) | other (research) | M | 23/04/2024, Ghent, 76' |
| 35 | Menuetto (CEO), VAF (former financial director) | production / policy | M | 13/02/2024, Antwerp, 96' |
| 36 | EAO/European Audiovisual Observatory (head of Department of Market Information) | other (research) / exhibition | M | 02/04/2024, video call, 73' |
| 37 | AC/E Acción Cultural Española (public agency for the promotion of Spanish culture abroad) (film section coordinator | policy | F | 31/01/2024, Madrid, 92' |
| 38 | Renoir Movie Theatres (director) | exhibition | M | 26/02/2024; Madrid, 84' |
| 39 | Scholar, film journalist, The Hollywood Reporter | other (critic, journalist, research) | F | 30/06/2023, video call, 57' |

| 40 | FIAD/International Federation of Film Distributors' and Publishers' Associations (secretary general) | distribution | M | 15/04/2024, video call, 53' |
|---|---|---|---|---|
| 41 | UNIC/International Union of Cinemas (CEO) | exhibition | F | 22/04/2024, video call, 63' |
| 42 | Menuet (former head production) | production | M | 30/01/2024, video call, 96' |
| 43 | Sorbonne Nouvelle (scholar) | other (research) | F | 25/04/2024, video call, 48' |
| 44 | DFI/Danish Film Institute (CEO) | policy | M | 08/02/2024, Copenhagen, 43' |
| 45 | Independent scholar, EAO/European Audiovisual Observatory (former head research) | other (research) | M | 16/02/2024, video call, 120' |
| 46 | ICAA (current/former head of the institution) | policy | M | 11/10/2023, Madrid, 83' |
| 47 | Minds Meet (producer), Cinematek (Royal Film Archive, head) | production / other (film heritage) | M | 23/01/2024, Brussels, 94' |
| 48 | Embajadores Movie Theatres (Media, Marketing and Film Programme Director) | exhibition | M | 29/02/2024, Madrid, 74' |
| 49 | FECE-Spanish Movie Theatres Federation (general director) | exhibition | M | 06/03/2024, Madrid, 97' |
| 50 | EDN/European Documentary Network (former CEO) | production | M | 04/03/2024, video call, 93' |

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| 51 | Eurocinema (general delegate) | production / policy | F | 15/02/2024, Brussels, 82' |
|---|---|---|---|---|
| 52 | VAF (former CEO), independent producer | production / policy | M | 04/03/2024, video call, 89' |
| 53 | VAF (head creation) | policy | F | 15/12/2023, Brussels, 93' |
| 54 | Free University of Brussels (VUB) (scholar) | other (research) | M | 05/03/2024, Ghent, 95' |
| 55 | Producent Foreningen (Danish Producers' Association, chief executive) | production / policy | M | 08/02/2024, Copenhagen, 55' |
| 56 | EFAD/European Film Agency Directors association (secretary general) | policy | F | 10/04/2024, video call, 74' |
| 57 | LATIDO Films (general director) | other (sales agency) | M | 20/03/2024, written (7 pp.) |
| 58 | AVALON (general director) | production / distribution | M | 04/03/2024, video call, 58' |
| 59 | #CONUNPACK (associate member) | distribution | M | 30/10/2023, Madrid, 74' |
| 60 | Madrid Film Office (head of the institution) | policy | M | 01/02/2024, Madrid, 89' |
| 61 | deAuteurs (director), Ghent University (scholar) | other (rights management office, research) | F | 28/03/2024, video call, 49' |

| 62 | FFG/Film Fest Ghent (head finances) | other (film festival) | F | 02/02/2024, Ghent, 108' |
|---|---|---|---|---|
| 63 | Studio Skoop (programmer) | exhibition | M | 26/04/2024, Ghent, 61' |
| 64 | Lumière Group (head acquisition and programming) | distribution / exhibition | M | 05/03/2024, Ghent, 120' |
| 65 | Studio Skoop (CEO) | exhibition | M | 20/12/2023, Ghent, 88' |
| 66 | De Mensen (head of script, executive producer) | production | F | 03/05/2024, Brussels, 95' |
| 67 | Creative Europe Desk Flandres (head) | policy | M | 14/02/2024, video call, 67' |
| 68 | VRT/Flemish Radio and Television Broadcaster (buyer, programmer) | other (sales, programming) | F | 25/04/2024, video call, 66' |

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# APPENDIX 2. INTERVIEW PROTOCOL

Note: The following interview protocol presents the major themes, which were used for conducting the interviews. While they provided a general framework, its specific subjects were adapted to the singularities of the interviewees.

## 1. INTRODUCTORY QUESTIONS

- Can you tell us how you started to be active in the film industry? What was your personal trajectory?
- What are for you the major drivers of change in the development of the film industry in Europe?
- Please describe with a metaphor the current relation of cinema to the audiovisual landscape.
- What are the major milestones for your sector?
    - Something you are especially proud of
    - Biggest misstep / something you've done differently?

## 2. PRODUCTION INTERVIEWS

### 2.1. Differences in filmmaking

- How is it different to make a film now, compared to 25 years ago?
- Over the past 25 years, what have been the most significant technological advancements that have impacted European film production? How have they changed the way you work?
- Impact of different technological changes (e.g., digital filmmaking; COVID 19: remote filmmaking; AI, such as ChatGPT)
- How do these differences relate to film competitiveness?
- How has the role of screenwriters evolved, and how have they adapted to changing storytelling demands in European cinema?
- How have the expectations and demands of investors changed in European film production, and what impact has this had on creative decisions?
- In what ways have you embraced sustainability and eco-friendly practices in European film production?

- How do you see the future of European film production unfolding, and what strategies do you believe will be crucial for the next 25 years?

## 2.2. European Policy

- European policy successfully facilitated filmmaking in the past 25 years? Why (not)?
- Impact of different policies: MEDIA / Creative Europe; Eurimages; co-production agreements;...
- How did policy changes affect changing characteristics of film competitiveness?
- Which institutions and organisations play the most important role in funding European cinema?
- Could you compare European film policy prior to that of the 1990s to film policies implemented in the 1990s?
- Can you share key challenges and successes in securing funding for European film projects during this period?

## 3. DISTRIBUTION INTERVIEWS

### 3.1. Differences in distribution practices

- How is it different to distribute a film now, compared to 25 years ago?
- Impact of different technological changes (DVD, home video market, VPF financing, ...)
- How do these changes relate to film competitiveness? Differences in impact of these changes Europe <> Hollywood?
- Can you discuss the changing dynamics of international sales and distribution for European films?
- What have been the key strategies for ensuring the discoverability and visibility of European films in a crowded digital marketplace?
- Can you share insights into the role of film festivals and their impact on the distribution of European films?
- What is your vision for the future of European film distribution and its role in reaching global audiences?
- Which is the relation to other similar institutions/colleagues of the continent? As references, cooperation partners, competitors…?

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### 3.2. European policy

- Has European policy successfully facilitated film distribution in the past 25 years? Why?
- How did policy changes affect changing characteristics of film competitiveness?
- Which institutions and organisations play the most important role in distributing and promoting European films?
- How have copyright and piracy concerns affected European film distribution, and what measures have been taken to address these issues?
- Could you compare European film policy prior to that of the 1990s to film policies implemented in the 1990s?


## 4. EXHIBITION INTERVIEWS

### 4.1. Differences in exhibition practices

- How is it different to exhibit a film now, compared to 25 years ago?
- How have changing technologies and the rise of streaming services affected the experience of watching European films in theatres over the past 25 years?
- Impact of different technological changes (e.g., digital projection systems, Infrastructure changes, digital screens, 3D projection, online ticketing, immersive technologies (3D, HFR, VR, …), alternative exhibition spaces, ...)
- How do these changes relate to film competitiveness? (Europe <> Hollywood; intra-European competition)
- In your opinion, how have audiences of European cinema changed in the last 25 years?
- How has the landscape of European film storytelling evolved in response to changing audience preferences and global market trends?
- Can you discuss the role of film festivals in promoting European cinema and fostering collaboration between filmmakers and audiences?
- In what ways has European cinema engaged with the challenge of attracting and retaining diverse audiences?
- How has the concept of community and cultural spaces within theatres evolved in promoting European film?
- What initiatives have European theatres taken to address sustainability and environmental concerns in recent years?

- What strategies and innovations do you believe will be essential to the continued success of European film exhibition in the future?

## 4.2. European policy

- Has European policy successfully facilitated film exhibition in the past 25 years? Why (not)?
- Can you share insights on the impact of cultural and policy changes on film exhibition in Europe over the last two decades?
- How did policy changes affect changing characteristics of film competitiveness?
- Which institutions and organisations play the most important role in promoting and exhibiting European films?

## Citation

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