



PRESS RELEASE

EUROPEAN AUDIOVISUAL OBSERVATORY

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CINEMA IN NEW MEMBER STATES OF THE EUROPEAN UNION

- 2002 was a year of mixed fortunes in cinema attendance in individual Central and Eastern European markets, but the overall total remained stable in relation to 2001
- Cinema admissions per capita in these countries remain substantially below the European Union average
- Feature film production shows signs of renewed vitality, in particular in the Czech Republic and in Slovenia
- Access to the European Union market for films from these countries remains limited, with a market share of only 0.05% of total admissions for the entire period 1996 to 2002

On 1st May 2004 the European Union will welcome ten new Member States, many of whom boast distinguished cinematographic traditions. Since 1993, the first year of its activity, the European Audiovisual Observatory has counted these countries amongst its Member States and has monitored regularly developments in their audiovisual landscapes.

On the occasion of the publication of Volume 3, 'Film and Home Video', of the *Yearbook 2003*, the Observatory is pleased to provide a review of recent film market trends in the New Member States of the European Union.

2002: A Year of Mixed Fortunes in Cinema Attendance in Central and Eastern Europe

Performances on national markets in terms of cinema attendance varied widely in these countries in 2002. Among the larger markets, only the Czech Republic showed growth in attendance, reporting a 3.2% increase on the already high admissions total for 2001. In Poland, the largest market of this group, cinema attendance fell back slightly (-1.1%) and the decline was yet more pronounced in Hungary (-4.6%), the second largest market.

Table 1: Cinema Attendance in the New Member States of the European Union (1997-2002)
In Millions

	1997	1998	1999	2000	2001	2002	2002/2001
Cyprus	0,93	1,01	0,84	0,93	0,86	0,91	5,8%
Czech Republic	9,82	9,25	8,37	8,72	10,36	10,69	3,2%
Estonia	0,96	1,06	0,87	1,08	1,30	1,56	19,5%
Hungary	16,57	14,58	13,39	12,41	14,11	13,46	-4,6%
Latvia	1,23	1,42	1,38	1,46	1,15	1,07	-7,1%
Lithuania	0,57	1,59	1,78	2,10	2,37	1,92	-19,0%
Malta	<i>n.c.</i>	<i>n.c.</i>	1,01	0,97	1,04	1,06	2,8%
Poland	23,70	19,90	26,62	18,70	26,20	25,90	-1,1%
Slovak Republic	4,04	4,08	3,03	2,64	2,84	2,92	2,8%
Slovenia	2,50	2,57	1,97	2,22	2,47	2,78	12,6%
Total (estimated)	61,02	56,36	59,26	51,22	62,70	62,27	-0,7%

Source: European Audiovisual Observatory

Figures in italics are estimates



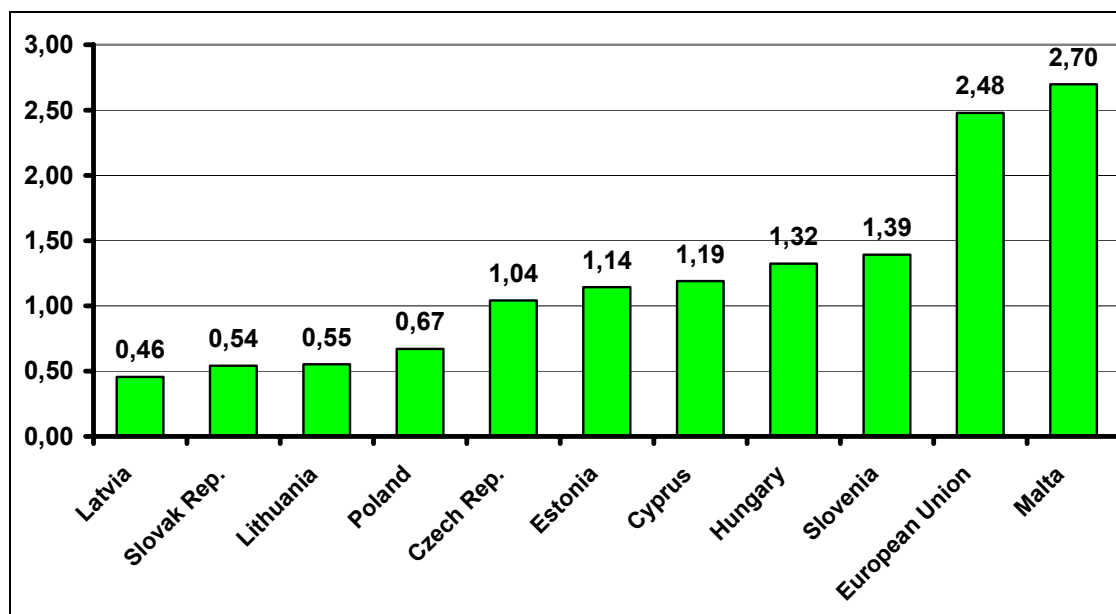
The most significant increases in total admissions were to be seen in some of the smaller markets, in particular Estonia, where cinema attendance climbed by an impressive 19.5%, due in part at least to the enormous success of a locally-produced film, *Nimed marmortahvil*. Admissions in neighbouring Baltic States Latvia and Lithuania showed an opposing trend, with a pronounced drop (-19%) in Lithuania following a strong year in 2001. Latvia registered decline in admissions for the second successive year (-20.9% in 2001, -7.1% in 2002). Attendance was up by 12.6% in Slovenia, although no domestic film appeared in the Top 10.

An estimated total of 62.27 million admissions were registered in the 10 new European Union Member States in 2002, a small drop of 0.7% on the total of 62.7 million for the preceding year.

Cinema admissions per capita remain well below the current European Union norm

As can be seen from Figure 1, average admissions to cinemas per head of population in these countries remains in general well below the European Union average of 2.48 visits per year. Only in Malta, where admissions data are estimated, does the number of visits per year per inhabitant exceed the current European Union norm.

Figure 1: Average Admissions per Inhabitant in New Member States of the European Union (2002)



Source: European Audiovisual Observatory

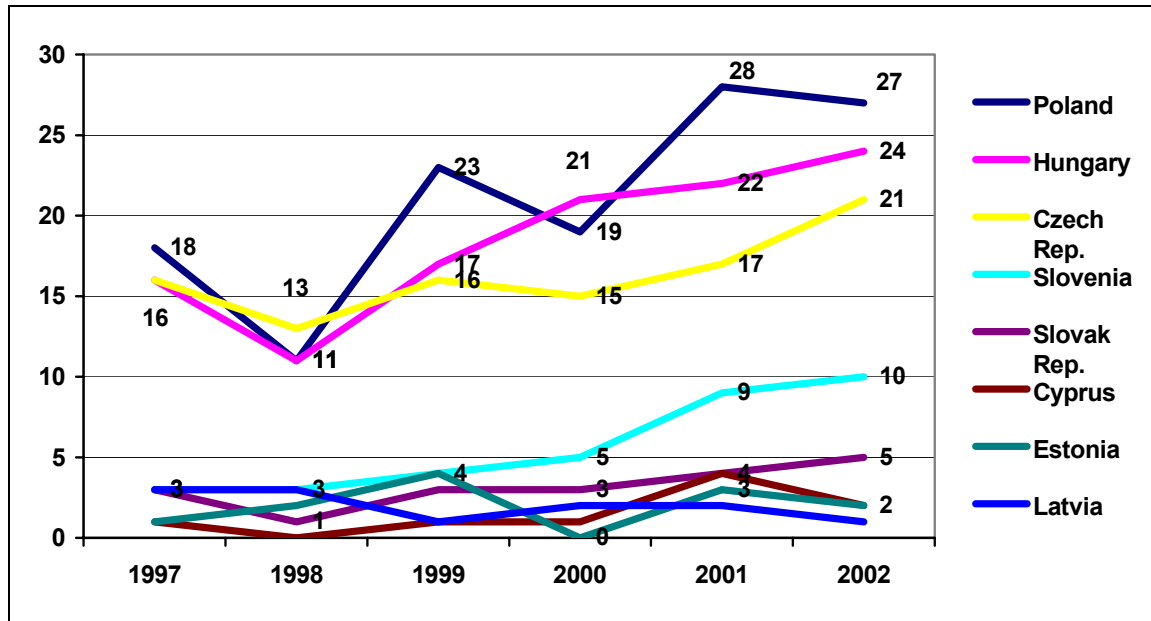
Slovenia at 1.39 visits to the cinema per inhabitant per year and Hungary at 1.32 visits show averages approaching that of a European Union country such as the Netherlands (1.50 visits per year) but still very much lower than the average figure for Ireland (4.46), the country with the highest per capita attendance in the Union. Attendance in four of the new Member States, Poland, Lithuania, the Slovak Republic and Latvia, has yet to cross the barrier of at least 1 visit per inhabitant per year. It should be noted, of course, that as national averages, these figures conceal what may be much higher levels of attendance in capitals and larger cities, and significantly lower figures in more remote rural areas.

Feature film production shows signs of renewed vitality

The European Audiovisual Observatory estimates that around 92 full-length features were produced in the 10 new Member States of the European Union in 2002. This represents a 3% increase on the total number of films produced in 2001 (89) and the second year in succession in which the total volume of production has grown. 2001 in particular had seen total production climb by an impressive 33% (from 67 films in 2000) but this rate of growth was not sustained into 2002. Public service television, frequently an active investor in domestic production, faces financial difficulties in many of these countries, and this may have an increasing impact on levels of production activity.



Figure 2: Feature Film Production in the New Member States of the European Union (1997 - 2002) (in units)



Source: European Audiovisual Observatory

As might be expected the three largest markets in terms of cinema admissions exhibit the highest levels of production, with 27 features or feature-length documentaries produced in Poland, 24 in Hungary and 21 in the Czech Republic. In both Hungary and the Czech Republic the general trend since 1998 has been upwards. A similar trend can be observed in Slovenian film production, with the total volume going from just 3 features produced to 10 in 2002, with just one of these 10 films a co-production. Production is chiefly axed towards co-production in at least three of the smaller markets, Cyprus (2 majority co-productions in 2002 down from 4 in 2001), the Slovak Republic (a total of 5 co-productions in 2002) and Lithuania (1 minority co-production in 2002).

Hungary stands apart in terms of public funding for film and television

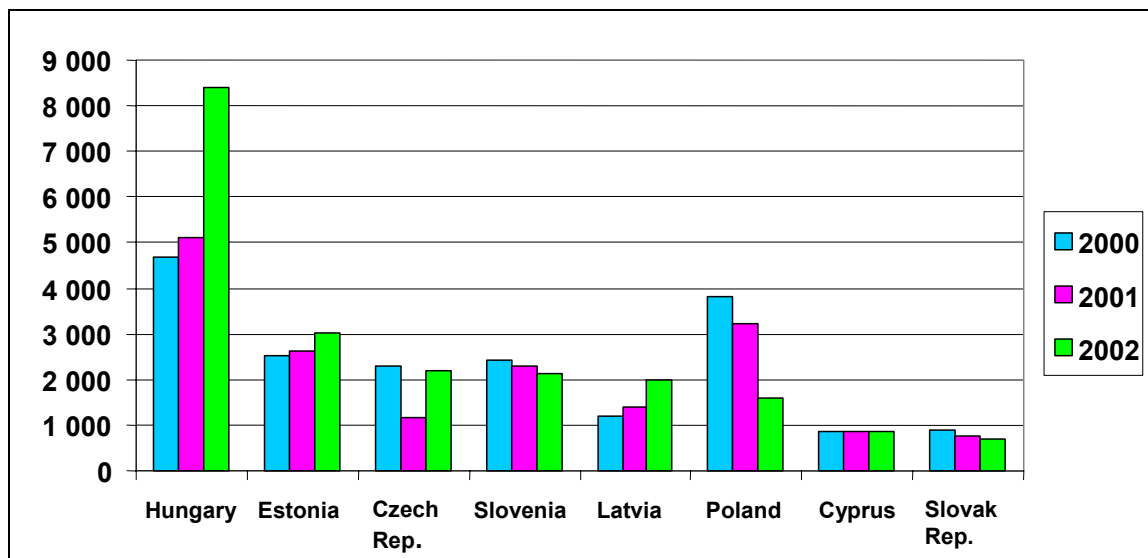
Drawing upon data from the European Audiovisual Observatory's KORDA database on public funding for film and television in Europe, figure 3 shows the evolution of public funding in the new European Union Member States over the past three years. It is clear that levels of public funding for film and television in Hungary are significantly higher than in any other country of this group. Total funding available in Hungary for 2002 amounted to around EUR 8.4 million, a 64% increase on the estimated total of EUR 5.1 million available in 2001. This is largely accounted for by a significant increase in the support budget of one of the principal funding bodies, the Motion Picture Public Foundation, whose budget went from EUR 3.1 million in 2001 to EUR 6.4 million in 2002.

Levels of public funding in the Czech Republic and Poland (EUR 2.2 million and EUR 1.6 million respectively in 2002) appear modest in comparison, but it should be borne in mind that the amounts shown in figure 3 do not systematically include investment in production made by public broadcasters in these countries. For example, the Polish national broadcaster, TVP, is a co-producer of nearly half the annual feature production in Poland.

The origin of funds for these bodies is in most cases the State Budget. The exception to the rule is the Czech Republic, where support is funded through revenues derived both from exploitation of older Czech films made in nationalised studios and partly through a tax on cinema admissions. An exceptional grant from the State Budget was necessary in 2001 to compensate for delays in the receipt of royalties.



Figure 3: Direct Public Funding for Film and Television in New Member States of the European Union (2000-2002) (in thousand EUR)



Source: European Audiovisual Observatory – KORDA database (<http://korda.obs.coe.int>)

National films fared less well in 2002, after an excellent year in 2001

Market shares for national films in many of the new Member States were down on the exceptional results achieved in 2001, with the notable exception of Estonia. Both Poland and the Czech Republic had relatively disappointing years, whereas in Hungary national market share improved for the fourth year in succession.

The drop to just 13% of admissions for national films in the Czech Republic is particularly noteworthy. The average market share achieved by Czech films since 1996 has been around 20%, with a particularly successful year in 2001 (national market share of 30%). The disappointing result for 2002 would appear to be linked not to a scarcity of national films, but to the absence of higher budget domestic 'blockbusters', such as *Dark Blue World* (Jan Sverák, 2001, CZ/DE) which had dominated the charts in 2001.

In Poland, the dip to a national market share of 17.1% in 2002 from the impressive figure of 41.6% in 2001 represents a return to a more 'normal' level. If the national market share for Polish films fell, admissions to European films generally increased in 2002, reaching 17% of total admissions. This was principally due to the success of *The Pianist*, technically a French-led co-production, but of course principally of Polish cultural and artistic content.

The immense success of a local co-production, *Nimed marmortahvil*, accounts almost entirely for the exceptional national market share of 10.3% recorded in Estonia in 2002. The Estonian-Finnish co-production was the most popular film of the year, selling more tickets than its nearest rival, the first instalment of the *Lord of the Rings* trilogy.

Access to the EU market for films from Central and Eastern Europe remains limited

Despite the evident popularity of many of these films on their domestic market, their circulation on non-domestic markets remains very weak. Drawing on data from the LUMIERE database (<http://lumiere.obs.coe.int>), the Observatory calculates that 44 films from new Member States were released commercially in the European Union during the period 1996-2002. These 44 films achieved a total of 2.4 million admissions during the period, a market share of just 0.05%. More than half of these admissions were realised by only one film, *Kolya*, a Czech film co-produced with Great Britain



and France, and supported by Eurimages, which earned 1,4 million admissions in the European Union in 1996-1997.

Table 2: Market Shares of Admissions to Films in New Member States of the European Union According to the Origin of Films (2000-2002) (in %)

Country	Year	National	Other European	US	Others	Source
Cyprus	2000	0,0	7,9	92,1	0,1	<i>PIO</i>
	2001	0,0	10,9	88,4	0,8	
	2002	0,0	7,0	92,9	0,1	
Czech Republic	2000	23,0	11,0	66,0	0,5	<i>Ministry of Culture</i>
	2001	30,0	12,0	53,0	5,0	
	2002	13,0	15,0	71,0	0,9	
Estonia	2000	0,9	7,5	91,5	0,2	<i>OBS/LUMIERE</i>
	2001	2,4	9,6	85,7	2,3	
	2002	10,3	10,8	78,1	0,9	
Hungary	2000	4,6	3,3	91,9	0,2	<i>AHFD</i>
	2001	5,1	15,1	79,5	0,3	
	2002	7,8	15,3	70,6	6,4	
Lithuania	2000	1,2	12,8	85,9	0,0	<i>LS</i>
	2001	0,0	14,2	85,5	0,3	
	2002	0,2	17,2	82,2	0,4	
Latvia	2000	n.c.	17,5	82,2	0,3	<i>NFC</i>
	2001	0,7	9,6	89,3	0,4	
	2002	0,6	19,7	79,4	0,2	
Poland	2000	13,6	10,6	74,8	1,1	<i>OBS/LUMIERE</i>
	2001	41,6	11,8	43,2	3,4	
	2002	17,1	16,9	65,0	1,0	
Slovenia	2000	9,9	6,2	79,2	4,7	<i>SOS</i>
	2001	5,1	15,3	78,1	1,5	<i>FSRS</i>
	2002	5,5	16,3	75,8	2,4	

No comparable data are available for Malta or for the Slovak Republic.



Table 3: Top 10 Films From New EU Member States by Admissions in the EU (1996-2002)

	Original Title	Producing Countries	Year of Production	Director	Admissions in 2002
1	Kolya	CZ / FR / GB	1996	Jan Sverák	1 427 523
2	A napfény íze (Sunshine)	HU/DE/AT/CA	1999	István Szabó	291 670
3	Hurá na medveda (Bear on the Run)	CZ / DE	2000	Dana Vávrová	98 750
4	Historie Milosne (Love Stories)	PL	1997	Jerzy Stuhr	78 615
5	Munk, Lemmy and Co.	LV	1997	Janis Cimermanis & N. Skapan	78 522
6	Musime si pomáhá (Divided We Fall)	CZ	2000	Jan Hřebejk	57 343
7	Tmavomodrý svět (Dark Blue World)	CZ/DE	2001	Jan Sverák	56 629
8	Animals	LV	2001	Janis Cimermanis & N. Skapan	53 859
9	Pan Tadeusz	PL / FR	1999	Andrzej Wajda	49 430
10	Ogniem i mieczem (With Fire and Sword)	PL	1999	Jerzy Hoffman	32 542

Source: European Audiovisual Observatory – LUMIERE database

Table 4: Top 10 Films by Admissions in Cyprus (2002)

	Original Title	Producing Countries	Year of Production	Director	Admissions in 2002
1	My Big Fat Greek Wedding	US	2002	Joel Zwick	75 419
2	Jay and Silent Bob Strike Back	US	2001	Kevin Smith	52 123
3	Spider-Man	US	2002	Sam Raimi	37 739
4	Ocean's Eleven	US	2001	Steven Soderbergh	31 108
5	Lord of the Rings: Fellowship of the Ring	US / NZ	2001	Peter Jackson	28 346
6	Harry Potter and the Sorcerer's Stone	US	2001	Chris Columbus	27 997
7	A Beautiful Mind	US	2001	Ron Howard	25 528
8	Men in Black II	US	2002	Barry Sonnenfeld	20 798
9	Stuart Little 2	US	2002	Rob Minkoff	19 914
10	XXX	US	2002	Rob Cohen	19 383

Source: European Audiovisual Observatory – LUMIERE database

Table 5: Top 10 Films by Admissions in the Czech Republic (2002)

	Original Title	Producing Countries	Year of Production	Director	Admissions in 2002
1	Lord of the Rings: Fellowship of the Ring	US / NZ	2001	Peter Jackson	957 223
2	Harry Potter and the Sorcerer's Stone	US	2001	Chris Columbus	766 358
3	Men in Black II	US	2002	Barry Sonnenfeld	315 391
4	Ice Age	US	2002	C. Wedge & C. Saldanha	315 359
5	Star Wars: Episode 2 - Attack of the Clones	US	2002	George Lucas	277 637
6	Harry Potter and the Chamber of Secrets	US	2002	Chris Columbus	261 885
7	Spider-Man	US	2002	Sam Raimi	233 065
8	Mach, Sebestová a kouzelné sluchátko (Max, Sally and the Magic Phone)	CZ/CN	2001	Václav Vorlíček	208 000
9	Rok dábla (Year of the Devil)	CZ	2002	Petr Zelenka	204 617
10	Minority Report	US	2002	Steven Spielberg	198 082

Source: European Audiovisual Observatory – LUMIERE database



Table 6: Top 10 Films by Admissions in Estonia (2002)

	Original Title	Producing Countries	Year of Production	Director	Admissions in 2002
1	Nimed marmortahvlil (Names in Marble)	EE / FI	2002	Elmo Nüganen	136 171
2	Lord of the Rings: Fellowship of the Ring	US / NZ	2001	Peter Jackson	91 222
3	Ice Age	US	2002	C. Wedge & C. Saldanha	89 109
4	Ocean's Eleven	US	2001	Steven Soderbergh	45 148
5	Men in Black II	US	2002	Barry Sonnenfeld	43 586
6	Spider-Man	US	2002	Sam Raimi	39 635
7	XXX	US	2002	Rob Cohen	39 095
8	Die Another Day	GB / US	2002	Lee Tamahori	38 663
9	Harry Potter and the Chamber of Secrets	US	2002	Chris Columbus	35 460
10	Star Wars: Episode 2 - Attack of the Clones	US	2002	George Lucas	33 031

Source: European Audiovisual Observatory – LUMIERE database

Table 7: Top 10 Films by Admissions in Hungary (2002)

	Original Title	Producing Countries	Year of Production	Director	Admissions in 2002
1	Star Wars: Episode 2 - Attack of the Clones	US	2002	George Lucas	810 700
2	Lord of the Rings: Fellowship of the Ring	US / NZ	2001	Peter Jackson	804 209
3	Ice Age	US	2002	C. Wedge & C. Saldanha	559 247
4	Valami Amerika (A Kind of America)	HU	2002	Gábor Herendi	526 114
5	Men in Black II	US	2002	Barry Sonnenfeld	468 146
6	Harry Potter and the Chamber of Secrets	US	2002	Chris Columbus	456 171
7	Monsters, Inc.	US	2001	P. Docter & D Silverman	353 608
8	Astérix & Obélix : Mission Cléopâtre	FR / DE	2002	Alain Chabat	300 371
9	Spider-Man	US	2002	Sam Raimi	294 936
10	A Hídember (Bridgeman)	HU	2001	Géza Bereményi	286 836

Source: European Audiovisual Observatory – LUMIERE database

Table 8: Top 10 Films by Admissions in Latvia (2002)

	Original Title	Producing Countries	Year of Production	Director	Admissions in 2002
1	Lord of the Rings: Fellowship of the Ring	US / NZ	2001	Peter Jackson	47 912
2	Harry Potter and the Sorcerer's Stone	US	2001	Chris Columbus	40 415
3	Men in Black II	US	2002	Barry Sonnenfeld	34 117
4	Die Another Day	GB / US	2002	Lee Tamahori	30 393
5	Spider-Man	US	2002	Sam Raimi	30 269
6	Stuart Little 2	US	2002	Rob Minkoff	30 042
7	Ocean's Eleven	US	2001	Steven Soderbergh	29 519
8	Star Wars: Episode 2 - Attack of the Clones	US	2002	George Lucas	29 517
9	XXX	US	2002	Rob Cohen	28 150
10	Ice Age	US	2002	C. Wedge & C. Saldanha	24 115

Source: European Audiovisual Observatory – LUMIERE database



Table 9: Top 10 Films by Admissions in the Slovak Republic (2002)

	Original Title	Producing Countries	Year of Production	Director	Admissions in 2002
1	Harry Potter and the Sorcerer's Stone	US	2001	Chris Columbus	253 294
2	Lord of the Rings: The Two Towers	US / NZ	2002	Peter Jackson	220 104
3	Harry Potter and the Chamber of Secrets	US	2002	Chris Columbus	98 123
4	Spider-Man	US	2002	Sam Raimi	90 068
5	Men in Black II	US	2002	Barry Sonnenfeld	73 114
6	Monsters, Inc.	US	2001	P. Docter & D Silverman	71 893
7	Ice Age	US	2002	C. Wedge & C. Saldanha	71 180
8	Signs	US	2002	M. Night Shyamalan	70 404
9	Star Wars: Episode 2 - Attack of the Clones	US	2002	George Lucas	62 629
10	Ocean's Eleven	US	2001	Steven Soderbergh	61 427

Source: European Audiovisual Observatory – LUMIERE database

Table 10: Top 10 Films by Admissions in Slovenia (2002)

	Original Title	Producing Countries	Year of Production	Director	Admissions in 2002
1	Lord of the Rings: Fellowship of the Ring	US / NZ	2001	Peter Jackson	145 423
2	Harry Potter and the Chamber of Secrets	US	2002	Chris Columbus	92 408
3	Die Another Day	GB / US	2002	Lee Tamahori	76 192
4	Ocean's Eleven	US	2001	Steven Soderbergh	72 037
5	Men in Black II	US	2002	Barry Sonnenfeld	68 040
6	A Beautiful Mind	US	2001	Ron Howard	67 914
7	Harry Potter and the Sorcerer's Stone	US	2001	Chris Columbus	64 938
8	Stuart Little 2	US	2002	Rob Minkoff	64 034
9	Vanilla Sky	US	2001	Cameron Crowe	51 337
10	Astérix & Obélix : Mission Cléopâtre	FR / DE	2002	Alain Chabat	50 841

Source: European Audiovisual Observatory – LUMIERE database

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Notes for Editors

EUROPEAN AUDIOVISUAL OBSERVATORY, Strasbourg, France

Set up in December 1992, the European Audiovisual Observatory's goal is to gather and diffuse information on the audiovisual industry in Europe. The Observatory is a European public service body comprised of 35 member states and the European Community, represented by the Commission. It operates within the legal framework of the Council of Europe and it works alongside a number of partner and professional organisations from within the industry and with a network of correspondents. In addition to contributions to conferences, other major activities are the publication of Yearbooks, newsletters and reports, the compilation and management of databases and the provision of information through the Observatory's Internet site (<http://www.obs.coe.int/>).

Volume of production of feature films

Estimating the total volume of production of feature films remains difficult, chiefly due to the risk of double-counting co-productions and to differing national methodologies for the collection of this data. Included in most cases are feature-length fiction films and documentaries intended for theatrical exploitation.

LUMIERE database (<http://lumiere.obs.coe.int/>)

The database, available on-line and free-of-charge, is the result of collaboration between the European Audiovisual Observatory and various specialised national sources as well as the MEDIA Programme of the European Union. LUMIERE provides country-by-country analysis of admissions for more than 11,000 films released in Europe since 1996.

KORDA database (http://korda.obs.coe.int)

The KORDA database provides a compilation of available information on public funding for film and audiovisual production and distribution in Europe. The database includes profiles of national, regional and some pan-European bodies, as well as information on individual funding schemes.

Abbreviations of national sources (Table 2)

Press and Information of the Ministry of the Interior, Cyprus (PIO)
Mass Media Department of the Ministry of Culture of the Czech Republic (Ministry of Culture)
Association of Hungarian Film Distributors (AHFD)
Statistics Lithuania (LS)
Statistical Office of Slovenia (SOS)
Filmski sklad Republike Slovenije (FSRS)

ISO codes for producing countries (Tables 3 to 10)

AT – Austria	DE – Germany	LT – Lithuania	SK – Slovak Republic
CA – Canada	EE – Estonia	LV – Latvia	NZ – New Zealand
CN – China	FI – Finland	MT – Malta	
CY – Cyprus	FR – France	PL – Poland	
CZ – Czech Republic	HU – Hungary	SI – Slovenia	

A full list of country ISO codes is available at : <http://lumiere.obs.coe.int/web/EN/iso.php>

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