

## THE INDEPENDENT FILM INDUSTRY: WHAT ARE THE PROSPECTS?

### Interview with Lawrence Safir

*Lawrence Safir, co-founder of independent sales agent Safir Films in London, a Director of AFMA and Chairman of AFMA's large European section, is a film business veteran. We asked him to outline for us the situation of the industry, its relationship with the U.S. majors and, in particular, the new challenge represented by the launch of digital cinema.*

*First of all we should like to understand the place of the independents in the world-wide film market and if and how they manage to find a place amongst the production and distribution giants.*

AFMA, the only Association representing the Independent Motion Picture and Television Industry, has over 160 members in 15 countries. When, some years ago, AFMA commissioned Arthur Andersen Economic Consulting to survey the role and economic contribution made by the independent sector to employment, taxes and in the use of other services in the United States, they illustrated that many more films are annually by Independents than by U.S. Studios.

*This means that, although independent cinema survives on a smaller budget, it by no means lags behind the majors in terms of the offer of new product.*

It is illuminating to realize that of the 461 films which opened theatrically in the U.S.A. during 2000, 270 were handled by independent distributors as compared to the 191 titles released by the "major" companies (of which the majority were also produced by the "studios"), with both sectors including some imports from the 400+ films produced in Europe and elsewhere. Of course, when we talk about finance, the situation is different. That production costs of independents are usually a lot smaller than those of typical studio films belies the fact that our budgets are less often raised from a single source, in-house as with a major or its regular money suppliers, but from a myriad of sources. An average budget for an independent film might be closer to 10 million dollars than the current studio figure of around 55 million dollars, but even more critical is P&A, the print and advertising commitment. For a major company this may well exceed 25 million dollars.

*So it's a question of the problems posed by costs at all levels: production, distribution, promotion. In this respect there are people*

## CINEMA-GOING IN EUROPE IN 2001

For cinemas 2001 was a great year: in Western Europe audiences increased by 9.7%, crossing the 900 million mark. A far better result than in 2000, which, in turn, was better than 1998, the year of *Titanic*.

This is what is revealed by the figures available to date, even though they are still provisional in some cases. They regard 16 markets: on these markets 936 million tickets were sold, compared to the 853 of 2000. The increase has been widespread, with the sole exception of Finland, where there was a drop from over 7 million spectators to 6.5 (-8.3%).

Nevertheless, in this positive overall picture, growth rates differ widely.

On the five big markets – meaning those which count at least 100 million spectators – Germany stands out, growing by 16.6% and gaining over 25 million spectators, thanks also to the success of the national film industry. In absolute terms, despite selling almost 178 million tickets, Germany does not manage to steal first place from France, which confirms itself as the biggest European market, growing from 166 to 185.8 million spectators (+12%) in 2001.

Great Britain also sees an increase, but "only" of 9.4%, losing ground compared to France and Germany, with its 155.9 million spectators.

Spain, recording a 6.6% growth rate, totals 144.3 million spectators. This growth, whilst lower than the record increases registered in other countries in 2001, nonetheless confirms the positive trend that has been unflinching since 1988, a happy characteristic of the Spanish market.

There are signs of positive estimates for 2001 for Italy, a country which did not benefit in 2000 from the growth that had affected Western Europe: tickets sold in theatres operating for at least 60 days a year should pass the 100 million mark, with a growth rate of at least 3%.

Amongst the less densely inhabited territories, Austria obtains the most flattering increase in audiences: 16.5%. This means that it comes close to selling 19 million tickets. Behind this success there certainly lies the exceptional result obtained by the German production *Der Schub des Manitu*, which alone brought two million spectators into the cinemas.

Another reason for the rise in audiences

*who welcome the coming of digital technology as a revolutionary means of drastically reducing costs, thus providing an incentive for the cinema market, while, on the other hand, there are those who are, instead, extremely sceptical...*

In fact, the situation is still very ambiguous. Last year, John Fithian, President of the National Association of Theatre Owners (NATO) said, "For motion pictures studios, movie theatre operators and their patrons, digital cinema may become the most important technological transition since the advent of sound". Nevertheless, he did not conceal the fact that "none of this will come easy". This is because the cost of adapting cinemas for digital projection requires extremely high investment and theatres are unwilling (or unable) to advance such funds. Also, they prefer to consider that distributors, saving on print costs, would be the prime beneficiary. Producers realise that, unlike projectors, digital technology is in constant upgrade, requiring on-going investment.

The studios' concern at the absence of both a common digital cinema standard and a viable roll-out plan, is shown by this month's presentation to the NATO Board by NewCo, the coalition established by the majors to co-ordinate development, supply and operation of digital projection in (for now) U.S. theatres.

And, on top of all this, there is another, even more pressing question. Will digital technology encourage film viewing? If the paying public visits the cinema more often, will theatres use this evolution to expand their programme offer, to include live and other non-cinema events, seeing distributors' print cost savings eroded by a reduction in film release income?

*In other words, digital cinema is an interesting proposition, but not devoid of risks, contrary to an opinion that seems widespread in some sectors outside the film industry?*

Yes and no. Whilst we should not ignore that new technology also brings risks, we need to secure advantages which will benefit independent cinema, too.

*Let's start with the risks. Can you give us an example?*

To attract exhibitors, developers of digital cinema technology such as Boeing Digital Cinema (BDC) and Qualcomm/Technicolor (TDC) have discussed leasing deals, considering that the establishment of a critical mass of digitalized film product would create new users and perhaps build a new business through the access of cinema content

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## FOCUS ON EUROPE IN AMSTERDAM AT CINEMA EXPO INTERNATIONAL 2002

For the sixth consecutive year, MEDIA Salles will be present at Cinema Expo International in Amsterdam (24-27 June 2002) with the Focus on Europe event. Following the successful pre-screenings of past years – works such as *La vita è bella* and *Todo sobre mi madre* were proposed at Focus on Europe before their pan-European release – European films and trailers will be shown on the big screen to hundreds of exhibitors of all nationalities.

Focus on Europe will open with the traditional seminar on the state of cinema exhibition and on the latest issues, whilst the MEDIA Salles stand will offer information on the most recent productions, thanks also to collaboration with national institutes.

MEDIA Salles publications, such as the “European Cinema Yearbook”, will not fail to make their appearance. Through this new Focus on Europe event, MEDIA Salles confirms the Association’s intention to fill a gap in the range of services directed at increasing audiences in European cinemas.

from the supplier’s servers. But will theatres fund equipment, rental or lease payments? What if a supplier, a technology company or even a studio, provided digital projection in exchange for guaranteed access by more films to their screens? Might they recoup their investment by deduction from box office rental, equivalent to a levy on ticket sales? If exhibitors agreed such deals, binding them to digital equipment suppliers, the risks for the independents’ market share must not be under-estimated.

Considering all the operators involved in cinema production, processing, distribution and exhibition today, it is important to recognize that a new equilibrium might develop, if the whole process came under the control of even fewer figures, with critical impact across the independent sector, especially on distribution and screen access.

*The risks don’t seem to be negligible. But what are the benefits?*

Most of them are to be found in the radical reduction of distribution costs, by savings on processing and circulation of film prints.

For example a new blockbuster, requiring, say 2,500 copies, could cost the distributor and his producer, but not the exhibitor, more than 4 million dollars. Adding shipping costs, insurance and depreciation, as well as replacement of damaged or deteriorating prints could well push these costs over 5 million dollars. One estimate put the annual cost to the movie industry of prints and shipping at 1.2 billion, so the appeal, to the majors, of equivalent digital distribution at a suggested cost nearer to 500 million dollars is clear. But if the whole process results in a fair balance between distribution and exhibition, it may help growth of the independent sector, not only in film but also innovations in presentation of additional or ancillary viewing and merchandising. The entire industry is turning its attention from traditional production of films for theatre distribution to the whole range of activity that goes to make up an entertainment product, to counter the welcome but additional market for home entertainment, through digital television, DVD and broadband delivery, that will continue to make inroads into the consumer’s demand to participate in cinema attendance, to watch film and other entertainment product.

*So there are opportunities, but are they within the scope of the independent industry?*

Absolutely! Independent producers and

distributors are necessarily innovative. They have always been more ready to take calculated risks than their conglomerate counterparts. They are rebels by nature. Their cause is creation, production, distribution and above all recoupment, by traditional and new forms of marketing and distribution, as only success can attract new investment and further production. Provided we remain alert to the intentions of other players in the market, AFMA’s independent membership can be optimistic that the digital cinema will prove to be a boon for our industry.

### NON DOMESTIC EUROPEAN FILMS ON THE WEST EUROPEAN MARKETS

With the appearance of MEDIA Salles’ “European Cinema Yearbook” 2001 (presented in February 2002 in Berlin) the comparative figures concerning the whole period of MEDIA I and II are covered. It therefore seems to be the right moment now to make some evaluations.

When it was decided to set up a MEDIA Programme, there were two political reasons to support European feature films:

- strengthening the European film industry in respect of employment and counteracting the ‘brain drain’;
- protecting European culture.

Albeit that each success of a European film in its home country means a contribution to the achievement of both these targets,

the MEDIA Programme was and is directed at increasing the market shares of European films outside their home markets in at least the (West) European countries.

The consecutive annual expressions of (some) satisfaction or dissatisfaction about the achievements of European film production were therefore always based on increases, resp. decreases of the market shares of non domestic European films. Table 1 gives an overview. (For easy reading the figures are in indices. Regrettably, the figures are only available for nine countries).

The unweighted average is the sum of the figures in a column divided by 9, meaning that each country has the same weight. The weighted average means in this case total admissions to non domestic European films in the countries concerned as a part of the total of all admissions in these countries. The unweighted average is especially important for the cultural target, whilst the weighted average is more significant for the industrial objective.

Looking at the averages in Table 1, one does not get the impression of a structural development, whilst the figures for the last year of MEDIA II are rather discouraging. There is, however, another way to judge the results of non domestic European films, namely by comparing their numbers of admissions. During the period of MEDIA I and II total admissions increased in all countries involved in this investigation. This means that e.g. unchanged numbers of admissions to non domestic European films lead to diminishing market shares thereof, because an increased number of

**Table 1 - Indices of market shares of non domestic European films (1990=100)**

country	MEDIA I			MEDIA II	
	1990	1991	1995	1996	2000
B <sup>1</sup>	100	76	108	56	54
CH	100	106	133	135	c 111
D	100	71	91	159	111
DK	100	77	121	251	133
E	100	124	88	73	43
F	100	175	147	109	98
FIN	100	c 104	c 90	c 126	c 79
I	100	150	139	149	c 137
NL	100	60	150	72	220
unweighted av.	100	105	118.5	125.5	109.5
weighted av.	100	125	113	111	87

<sup>1</sup>. Brussels only

<sup>c</sup> means estimate

Source: “European Cinema Yearbook” 2001.

## EASIER AND QUICKER INFORMATION WITH THE ELECTRONIC NEWSLETTER

Starting with latest 2001 edition, the newsletter "European Cinema Journal" will be sent by e-mail to all those who have given us their address, in order to allow for quicker delivery and consultation. Anyone who wishes to inform us of a change of address or to subscribe to our Newsletter is kindly requested to send a message to [infocinema@mediasalles.it](mailto:infocinema@mediasalles.it)

Those who would nevertheless like to receive a printed copy will be able to receive one through the usual channels, on request.

## EXHIBITORS' COURSE IN DENMARK

From 5 to 9 June next, the new training course for cinema exhibitors throughout Europe will be held at the European Film College in Ebeltoft, Denmark. The project, promoted by MEDIA Salles in collaboration with Danske Biografer and the European Film College, takes place within the framework of the MEDIA Programme (see "European Cinema Journal" 4/2001). In addition, thanks to collaboration with Audiovisual Eureka, which is also its offering financial support, the initiative is open to professional operators from countries outside the European Union, which are thus not members of the MEDIA Programme. For further information it is possible to contact: Jonna Jensen, tel: +45 45461052, mob: +45 21743474, e-mail: [joj@mail.tdcadsl.dk](mailto:joj@mail.tdcadsl.dk)

**Table 2 - Indices of the nos. of admissions to non domestic European films (1990=100)**

country	1990	MEDIA I		MEDIA II	
		1991	1995	1996	2000
B <sup>1</sup>	100	74	121	70	75
CH	100	c 114	139	143	c 121
D	100	84	113	210	168
DK	100	74	111	258	148
E	100	c 125	106	97	75
F	100	169	157	122	134
FIN	100	101	77	111	91
I	100	146	138	158	154
NL	100	61	168	83	323
unweighted av.	100	105	125.5	139	143
weighted av.	100	123	125.5	131	121

1. Brussels only

Source: calculated proceeding from the "European Cinema Yearbook" 2001.

people went to other films.

Table 2 contains an overview (also in indices). Comparing the indices of the market shares with the indices of admissions makes clear that the latter give a more encouraging impression. The evaluation thereof depends on the criteria to be used. As indicated, these criteria could regard market shares as well as admissions, both of them weighted or unweighted.

Regrettably, at the begin of the MEDIA Programme no criterium was mentioned, let alone quantified, which makes a judgement of the results rather arbitrary. (That does not change the fact that, whilst the figures concerning MEDIA I show some improvement, the figures of MEDIA II can hardly be

interpreted as satisfactory).

Until now, the last year before MEDIA I, 1990, has been used as base year. It is, however, also interesting to compare to figures with 1989, the first year of the pilot phase, when some projects were already running. (The last year before that phase cannot be used because reliable figures concerning 1988 are lacking).

Table 3 contains the base figures. Whilst, compared to 1990, the unweighted average of the market shares and both averages of admissions indicate an improvement, compared to the year 1989 all average indices show substantial changes for the worse. Although the figures for 1989 must have been considered as being unsatisfactory

**Table 3 - Indices of market shares of and admissions to non domestic European films (1989=100)**

	1989	MEDIA I and II	
		1991	2000
market shares			
unweighted av.	100	63	56
weighted av.	100	80	42

admissions			
unweighted av.	100	66	69
weighted av.	100	77	75

Source: calculated proceeding from the "European Cinema Yearbook" 2001.

at that time, looking back it turns out that 1989 was relatively not so bad at all. This negative conclusion, however, should be relativized, and certainly should not cause despair. The relativizing considerations are as follows:

1. As the figures in the tables clearly indicate, the results of non domestic European films are fluctuating strongly from year to year (e.g. from 1990 to 1991 and from 1995 to 1996). Furthermore, 2000 was not successful in this framework. This means that some improvements in the near future are certainly possible (although the opposite is also possible).

2. The number of admissions to non domestic European films in the nine countries involved in this investigation was in 2000 about 21% higher than in 1990 (albeit that the number of admissions to all other films increased during that period by about 84%, and that, compared to 1989, there were 25% less admissions).

3. The most important consideration in this framework concerns the operational definition of a co-production. This is important because in film statistics the market shares of domestic films are indicated inclusive of co-productions, which is often even practised when the country's contribution is only marginal (e.g. financial), i.e. does not concern content. This may be motivated by some national governments' desire to flatter the market shares of the national film production. The consequence thereof, however, is that the stated market shares of non domestic European films are smaller than they really are, being to the detriment of the EU-policy which just aims at increasing them. For an evaluation of the MEDIA-policy this would not matter much if it concerned a more or less constant diversion. (The absolute magnitudes of the market shares are not so much at stake, but their changes are). However, because the number of co-productions is increasing, the results of that policy may be better than is reflected by the statistics<sup>1</sup>, and this may have especially affected the figures concerning MEDIA II. Therefore, it should be up to the European Commission to take the initiative to come to a directive concerning this matter.

Dr Joachim Ph. Wolff

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1. I thank Ms Lydia Trotz-Franz of the Filmförderungsanstalt for her remark concerning the consequences of this development.

## Screens and admissions from 1997 to 2001

Country	Screens					var%				Admissions (x 1,000)					var%			
	1997	1998	1999	2000	2001	1997 1998	1998 1999	1999 2000	2000 2001	1997	1998	1999	2000	2001	1997 1998	1998 1999	1999 2000	2000 2001
<b>A</b>	424	424	503	523	579	-	18.6%	4.0%	10.7%	13,717	15,219	15,024	16,299	18,985	10.9%	-1.3%	8.5%	16.5%
<b>B</b>	475	497	492	491	503	4.6%	-1.0%	-0.2%	2.4%	22,073	25,386	21,869	23,548	24,000	15.0%	-13.9%	7.7%	1.9%
<b>CH</b>	503	518	471	499	508	3.0%	-9.1%	5.9%	1.8%	15,552	15,918	15,428	15,592	17,113	2.4%	-3.1%	1.1%	9.8%
<b>D</b>	4,128	4,244	4,438	4,612	4,792	2.8%	4.6%	3.9%	3.9%	143,122	148,876	148,996	152,533	177,925	4.0%	0.1%	2.4%	16.6%
<b>DK</b>	320	331	331	358	361	3.4%	-	8.2%	0.8%	10,843	11,011	10,915	10,691	11,921	1.5%	-0.9%	-2.1%	11.5%
<b>E</b>	2,584	2,997	3,354	3,556	3,760	16.0%	11.9%	6.0%	5.7%	105,045	112,143	131,348	135,391	144,261	6.8%	17.1%	3.1%	6.6%
<b>F</b>	4,659	4,764	4,971	5,110	5,236	2.3%	4.3%	2.8%	2.5%	148,935	170,110	153,570	165,957	185,816	14.2%	-9.7%	8.1%	12.0%
<b>FIN</b>	321	331	362	343	339	3.1%	9.4%	-5.2%	-1.2%	5,943	6,395	7,035	7,091	6,500	7.6%	10.0%	0.8%	-8.3%
<b>I<sup>1</sup></b>	2,456	2,619	2,839	2,948	3,000	6.6%	8.4%	3.8%	1.8%	98,191	112,900	98,772	97,819	101,000	15.0%	-12.5%	-1.0%	3.3%
<b>IRL</b>	228	261	299	313	322	14.5%	14.6%	4.7%	2.9%	11,491	12,387	12,390	14,886	15,942	7.8%	0.0%	20.1%	7.1%
<b>L</b>	26	21	21	25	25	-19.2%	-	19.0%	-	1,186	1,415	1,316	1,362	1,414	19.3%	-7.0%	3.5%	3.8%
<b>N</b>	395	393	398	391	394	-0.5%	1.3%	-1.8%	0.8%	10,948	11,526	11,351	11,586	12,477	5.3%	-1.5%	2.1%	7.7%
<b>NL</b>	497	516	518	502	499	3.8%	0.4%	-3.1%	-0.6%	18,934	20,094	18,647	21,581	23,900	6.1%	-7.2%	15.7%	10.7%
<b>P</b>	410	449	488	495	460	9.5%	8.7%	1.4%	-7.1%	14,163	17,327	18,758	19,224	20,940	22.3%	8.3%	2.5%	8.9%
<b>S</b>	1,164	1,167	1,123	1,129	1,155	0.3%	-3.8%	0.5%	2.3%	15,210	15,819	15,982	16,978	18,101	4.0%	1.0%	6.2%	6.6%
<b>UK</b>	2,369	2,589	2,826	3,039	3,248	9.3%	9.2%	7.5%	6.9%	138,922	135,217	139,059	142,507	155,911	-2.7%	2.8%	2.5%	9.4%
<b>Total</b>	<b>20,959</b>	<b>22,121</b>	<b>23,434</b>	<b>24,334</b>	<b>25,181</b>	<b>5.5%</b>	<b>5.9%</b>	<b>3.8%</b>	<b>3.5%</b>	<b>774,275</b>	<b>831,743</b>	<b>820,460</b>	<b>853,045</b>	<b>936,206</b>	<b>7.4%</b>	<b>-1.4%</b>	<b>4.0%</b>	<b>9.7%</b>
<b>BG</b>	121	106	191	202	200	-12.4%	80.2%	5.8%	-1.0%	2,685	2,333	2,484	2,217	2,007	-13.1%	6.5%	-10.7%	-9.5%
<b>CZ</b>	747	764	740	743	848	2.3%	-3.1%	0.4%	14.1%	9,815	9,252	8,371	8,719	10,363	-5.7%	-9.5%	4.2%	18.9%
<b>EE<sup>2</sup></b>	180	174	174	76	81	-3.3%	-	-56.3%	6.6%	974	1,060	875	1,084	1,304	8.8%	-17.5%	23.9%	20.3%
<b>HU</b>	523	605	571	564	551	15.7%	-5.6%	-1.2%	-2.3%	16,818	14,578	14,921	14,294	14,913	-13.3%	2.4%	-4.2%	4.3%
<b>LT</b>	115	105	99	88	75	-8.7%	-5.7%	-11.1%	-14.8%	565	1,594	1,780	2,103	2,367	182.1%	11.7%	18.1%	12.6%
<b>LV</b>	114	116	119	111	124	1.8%	2.6%	-6.7%	11.7%	1,268	1,406	1,375	1,457	1,152	10.9%	-2.2%	6.0%	-20.9%
<b>PL</b>	825	714	755	824	866	-13.5%	5.7%	9.1%	5.1%	23,700	20,318	27,516	20,892	27,633	-14.3%	35.4%	-24.1%	32.3%
<b>RO</b>	441	379	316	293	276	-14.1%	-16.6%	-7.3%	-5.8%	9,456	6,799	4,192	5,112	5,726	-28.1%	-38.3%	21.9%	12.0%
<b>SI</b>	93	93	88	84	90	-	-5.4%	-4.5%	7.1%	2,503	2,569	1,965	2,077	2,451	2.6%	-23.5%	5.7%	18.0%
<b>SK</b>	337	337	342	292	276	-	1.5%	-14.6%	-5.5%	4,041	4,082	3,030	2,646	2,848	1.0%	-25.8%	-12.7%	7.6%
<b>TR</b>	487	584	694	800	921	19.9%	18.8%	15.3%	15.1%	17,765	22,641	24,843	26,032	26,008	27.4%	9.7%	4.8%	-0.1%
<b>Total</b>	<b>3,983</b>	<b>3,977</b>	<b>4,089</b>	<b>4,077</b>	<b>4,308</b>	<b>-0.2%</b>	<b>2.8%</b>	<b>-0.3%</b>	<b>5.7%</b>	<b>89,590</b>	<b>86,632</b>	<b>91,352</b>	<b>86,633</b>	<b>96,772</b>	<b>-3.3%</b>	<b>5.4%</b>	<b>-5.2%</b>	<b>11.7%</b>

<sup>1</sup>Figures referring to screens with more than 60 days of activity. MEDIA Salles elaboration on Siae and Cinetel data.

<sup>2</sup>1997, 1998 and 1999 data include "village cinema clubs". Figures in italics are estimates.

1997-2000 figures: MEDIA Salles "European Cinema Yearbook - 2001 final edition" (<http://www.mediasalles.it>). 2001 data is provisional. Data may be reproduced on condition the source is mentioned.

in Austria (an extra 5 million, equal to around 38%, between 1997 and 2001) is the increase in offer – in just five years the number of seats in Vienna has doubled. Results in Denmark are also very positive, with an 11.5% growth in 2001, following two years with rather (though not seriously) negative results, in contrast to the rest of Western Europe. The almost 12 million spectators in 2001 thus represent a leap forward of just under one million compared to 1998, the year in which Denmark, too, benefited from the *Titanic* effect. The Netherlands also see an increase of over 10% (10.7%), gaining over 2 million spectators. This growth, adding to the even more striking progress made the previous year, almost closes the gap between the Netherlands and Belgium, a country which should be counting 24 million spectators in 2001 (the figure is still provisional), or an increase of around 2% compared to the previous year. The result deserves even greater attention if compared to the situation in 1998 when Belgium and the Netherlands – “neighbouring” markets not only geographically but in terms of number of inhabitants – were separated by a figure of over 5 million spectators (25.4 million in Belgium and 20.1 million in the Netherlands). Switzerland, too, grows by almost 10%, with audiences passing the 17 million mark after a period in which figures had settled around 15.5 million. Portugal approaches 21 million tickets sold, with a 48% rise over the past five years. Almost one million more spectators (+7.7%) in 2001 for Norway, too, where, similarly to Switzerland, there had not been a change of this dimension for years, and

over one million for Sweden (+6.6%). In the latter country this is the second consecutive, substantial increase (+6.2% between 1999 and 2000) in a period with positive potential. Over the past five years audiences in Sweden have grown from 15 to 18 million, thus registering a 20% increase. Ireland, too, has its extra million spectators, growing by 7.1% and approaching an audience of 16 million, gaining over 4 million in five years. A 3.8% growth rate in Luxembourg, which, however, like Belgium and Italy, fails in 2001 to better the 1998 result even marginally. Another positive feature in 2001 is the trend of markets in Central and Eastern Europe. The eleven territories for which data is available see an overall gain in audiences of over 10 million compared to 2000. Only Bulgaria (-9.5%) and Latvia (-20.9%) are affected by a countertrend. Turkey (-0.1%) is stable but, between 1997 and 2001, has gained over 8 million spectators. Amongst the most densely populated territories, Poland sees a growth in audiences of 32%: figures rise from 20.9 to over 27 million, more or less equalling the 1999 record. In the Czech Republic audiences grow by 18.9% to reach over 10 million. Hungary grows by 4.3% and Romania by 12%. High increases are also recorded for smaller countries, such as Estonia (+20.3%), Slovenia (+18%), Lithuania (+12.6%) and Slovakia (+7.6%). Of these, Estonia, Slovenia and Slovakia saw the opening of the first multiplex in their respective capitals between the end of 2000 and the first half of 2001.

Elisabetta Brunella

### MEDIA SALLES AT WASHINGTON D.C.

How and to what extent is the advent of digital film changing the panorama of film distribution? How far does it affect policies on the cinema market?

On 5 November last in Washington DC, a round table was held on this issue, at which representatives of the film industry and American and European political institutions took part.

The traditional meeting, at which Willy Helin gave the opening address on behalf of the representatives of the European Commission in Washington DC, was a significant ending for MEDIA Salles to Focus on Europe, held during ShowEast 2001, which took place in Orlando from 31 October to 3 November. In Washington, too, special attention was paid to the independent film industry. At the end of the day's work, as a homage to European cinema, and thanks to the hospitality of the Motion Picture Association of America, MEDIA Salles presented a pre-screening of the film *Italian for Beginners* (*Italiensk for begyndere*), made available for the occasion by Miramax, the United States distributors.

The film, written and directed by Lone Scherfig and produced by Ib Tardini, faithfully respects the criteria of Dogma '95. This is another reason why it stands as a happy example of how, despite the limited means with which the independent industry – for which Dogma '95 provides an ideological statute – always has to contend, it is possible to produce quality films which are also attractive to overseas audiences.