The Audiovisual World of Children in Latin America

During the *Festival de Cine de la Habana*, from 5 to 9 December, the 15th meeting "El Universo Audiovisual del Niño Latinoamericano" will take place. The 2001 meeting, entitled "The Children of the Millennium" aims to create more space for an encounter between young audiences, acknowledged as possessing expressive, communicative and participatory potential (often neglected) and operators in the sector. Aiming to emerge as a meeting place for faces and voices that express the requirements of younger people, the event intends to enrich the traditional debate on the production and spread of audiovisual materials for children, by means of the analyses of different experiences in education on audiovisual communication and reflections on the impact of new technologies on the world of children.

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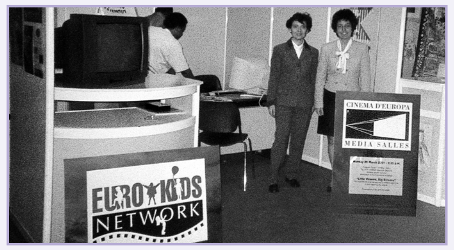
Children's Films: audience preferences and market patterns

Following the direction established by the analysis carried out since 1996 on the young audiences that visit cinemas belonging to the Euro Kids Network, the latest MEDIA Salles survey "Little Viewers, Big Screens" addresses children aged 8 to 11, to discover their expectations and perceptions with regard to the cinema. The initial results of the research, which involved Italy, France, Switzerland, the United Kingdom, the Iberian countries, Hungary and Scandinavia, were published in the European Cinema Journal, no. 1/2001 and presented in Greece at the 3rd *World Summit on Media for Children* in March. The questionnaire, distributed throughout the theatres belonging to the Euro Kids Network circuit and at the Castellinaria festival in Bellinzona, included the question, "Which of the films you have seen at the cinema did you most enjoy?". From the 1 897 replies obtained, a classification was drawn up of the 30 films most frequently mentioned by the children, offering some interesting pieces of information and food for thought. A first key to interpretation is that of nationality: of the 30 titles, 20 are US productions, one a Japanese-US co-production, one a US-Europe co-production and 8 European productions or co-productions. More specifically, in the top ten films, only 2 are European productions, whilst the remaining 8 are US productions or co-productions. Of the 30 titles, only 6 were mentioned in all the geographical areas covered by the survey. These are all US productions - or, in the case of *Pokémon*, a Japan-US co-production - which had large budgets behind them, both for production and for international distribution. Alongside films created for young audiences, such as *Tarzan* (in 1st place), *Pokémon* (2nd place), *Stuart Little* (4th place) and *Dinosaurs* (9th), there are two titles – *Titanic* (3rd place) and *Star Wars: Episode I* (8th), which are not specifically meant for young audiences. Of the other 24 titles in the general classification of the top 30 films, several owe their success to the fact that they were frequently named in only one geographical area. This was the case of *Kirikou et la sorcière* (6th place), voted mostly in Switzerland, of *Taxi 2* (7th place), a French favourite, *Small Soldiers* (12th place), particularly enjoyed in the Spanish peninsula, *Chicken run* (18th), appreciated especially in the United Kingdom. All this points to a generally fragmented situation as regards the distribution of preferences and one which is profoundly different from country to country, as pointed out by Paola Bensi, editor of the research. It is therefore interesting to analyse the list of children's top ten films according to each geographical area. It can be seen, for example, that whilst American productions maintain their lead everywhere, in the case of Italy, the United Kingdom, Hungary, Scandinavia and France, some domestic productions often gain a significant percentage of preferences. In France, with *Taxi 2* and the United Kingdom with *Danny the champion of the world*, the home-produced film even heads the list of the children's preferences. In the French classification, two other French co-productions (*Astérix et Obélix contre César* and *Anne Frank's diary*) are in 9th and 10th place, whilst in the United Kingdom, *Chicken run* comes in 4th place. In Italy, *La vita è bella* is in 4th place, whilst in 6th and 7th place appear two cartoons by Enzo D'Alò: *La freccia azzurra* and *La gabbianella e il gatto*. In Scandinavia, *Tsatsiki, morsan och polisen* (a Swedish-Danish-Norwegian-Icelandic co-production), and *Hjælp, jeg er en fisb* (a Danish production) each gained 3,3% of the overall preferences, coming in 8th and 9th place. In Hungary, 2 domestic films, *The little fox* and *Kincskeresö kisködmön*, are in 9th and 10th place.

The European productions or co-productions that are well placed outside their countries of production are *Kirikou et la sorcière* and *Astérix et Obélix contre César* (in 1st and 8th place respectively in Switzerland) and *Chicken run* (8th place in the classification of the Iberian countries). Turning to the genre of film most frequently mentioned, there is a visible tendency to prefer cartoons and adventure stories. However, good placings are obtained by films such as *La vita è bella* and *Tsatsiki*, which more or less directly regard the sentiments and events linked to real life. Whilst being conscious of the difficulty



From left to right: Paola Bensi and Elisabetta Brunella (MEDIA Salles) at the MEDIA Desk Hellas stand in Salonika, during the 3rd *World Summit on Media for Children*.

involved in dealing with the question of children's motives, we can ask ourselves what factors influenced the preferences stated. The surroundings in which the children see the film seem to be important. The MEDIA Salles research highlighted the fact that in some countries, Italy in particular, their preferences are linked to screenings organised with schools. Comparing the programming of cinemas which distributed the questionnaire during this type of screening with the films that the children voted, high correlations can be seen in countries such as Italy, the United Kingdom and Sweden. In Italy, for instance, the seven theatres that took part in the initial phase of the survey, organised 32 screenings for schools of the film *La vita è bella* between 1999 and 2000. In the United Kingdom, the Forum cinema (Northampton) organised 7 screenings of *Chicken Run* in 2000. Lastly, in Sweden, the film *Tsatsiki, morsan och polisen*, which was very successful in its home country, was screened 72 times at the Roda Rummet (Tomelilla) and Brösarps Bio (Brösarps) cinemas, whilst the Sollentuna Bio (Sollentuna) cinema organised 60 screenings of the film *Hjælp, jeg er en fish*. The fame and the success of films which become "exceptional events" are certainly significant: this may be the case of *La vita è bella* and – perhaps to an even greater extent – of *Taxi 2* in France (a film which was, understandably, not included in the programmes of the theatres belonging to the Network). In connection with this, it is very often noticed that "box-office hits" are mentioned by children despite the fact that they are not films specifically intended for this type of audience but are, instead, only suitable for adults. *Scary Movie*, for instance, which appears in 17th place in the general classification, is considered by the British Board of Film Classification to be a film suitable for audiences over 18. The same is true for *The Gladiator*, which is recommended for audiences over 15. The children's choices may also be influenced by the memory of a film that has also been seen on television, as might be the case for *Danny the champion of the world*, in first place in the United Kingdom. Lastly, a brief reflection on the economic importance of children's films. Comparing the most frequently mentioned titles with the classification of the most successful films in different European countries published by the MEDIA Salles European Cinema Yearbook, it can be seen that productions specifically intended for young audiences are frequently in the top ten places. This is certainly true of films 'made in the USA' but also for domestic productions. *La gabbianella e il gatto* does, in fact, appear in 5th place amongst the most widely seen domestic productions in Italy in 1999. The same is true for Kirikou, in 6th place in Belgium.The results are even better for *Tsatsiki* in Sweden, where it came ninth out of all films in 1999. However, it must be admitted once again that European productions find it hard to achieve truly international distribution. In 1999, whilst the two American films, *Tarzan and A Bug's Life*, prove to be the most successful children's films this side of the Ocean, where they are amongst the 10 most widely seen films in respectively 16 and 12 countries, the only European film which gained a good degree of visibility is *Astérix et Obélix contre César*, which was amongst the top ten in 8 nations. Unfortunately, titles which were successful in their home countries were not as fortunate at an international level. This is true of *Manolito Gafotas*, for example, which was 9th in Spain amongst the top ten domestic films in 1999, of *Olsen banden*, 6th in Denmark and *Pippi i söderhavet*, in 9th place in Sweden.

CINEMA D'EUROPA MEDIA SALLES

an initiative of the European Union MEDIA Programme with the support of the Italian Government

Via Soperga, 2 • 20127 Milano • Italy
tel. +39.02.66984405
fax +39.02.6691574
e-mail: infocinema@mediasalles.it
http://www.mediasalles.it

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If "films at the theatre" constitute the *heart* of the cinema industry, the exhibitor has the role of measuring the *heartbeat*. For years it was commonplace for the cinema world to conceive of cinema exhibition as a profession which corresponded to the final phase of a game where – in any case – play had already been decided in the preceding phases. This has often meant that theatre managers gradually lost touch with the nature of their original role. And the risk is, that instead of being an instance of artistic expression or a form of entertainment, films are merely reduced to becoming the object of sales, whilst the theatre becomes a shop, whether it has the gigantic proportions of a shopping mall or the small dimensions of a family-run shop. Today this trend threatens to reduce the difference between cinema-going and the domestic audiovisual "glut", nurtured by videocassettes and DVD. All this whilst digital cinema is already hammering at the door, bringing a foretaste of important changes, even if the details are still difficult to make out.

Faced with a similar situation, it becomes necessary to direct our energies to the field of exhibition so that, contrary to the aforesaid commonplace, this becomes one of the driving forces in the complex operation of the machinery – i.e. the cinema industry. There is therefore an urgent need to reformulate the profession of cinema exhibition according to new precepts, in which the laws of market cooperate in harmony with the requirements of the film product. If this urgency is a general phenomenon, it is even more pressing in Europe, where the characteristics of film production, which tend to emphasise its "artistic nature", make the inadequacy and – commercially speaking – the ineffectiveness of an exhibition industry with only a slight degree of awareness particularly evident. Being *preoccupied* with how European films perform in today's cinemas thus means *occupying* ourselves with the training of exhibitors in our continent.

A training project for European exhibitors should bear in mind certain basic factors such as the importance of constantly comparing notes with one another – both at a national and at an international level – and continuous up-dating, not only on trends in the increasingly competitive world cinema market, but also in the varied aspects of development that affect cinema audiences, in order to be in a position to offer them something beyond the irresistible "rush on popcorn". It is the task of film schools, specialised associations and also of the community of exhibitors to re-position these professional figures with their due share of responsibility within the cinema industry, in the awareness that close attention by those who have direct contact with audiences is the vital tool for measuring the *heartbeat* of this same heart and, if necessary, for correcting any anomalies and improving its existence.

Jens Rykaer
Treasurer of MEDIA Salles
Principal of the European Film College

Cinema-going in Europe in 2000

The year 2000 brought more spectators into the cinemas of Western Europe, proving to be an even better year than the "legendary" 1998 – the year of *Titanic*. Comparing the situations in the fifteen countries for which data – as yet provisional – is already available, it can be seen that 836,759 million tickets were sold, showing a 4,4% increase compared to 1999 and a 2,7% increase compared to '98. All countries have been affected by this growth, with the sole exception of Denmark. This market has, in fact, recorded its second consecutive decrease, losing a little over 220 000 spectators in 2000 (-2,1% compared to '99). Of all the other growing markets, there are some true leaps forward. This is the case for Ireland, which in '99 had already kept all the spectators gained in '98 and which achieved an all-time growth record in 2000, equal to 20,3%. This result confirms the leading position of the Irish in terms of per-capita frequency in Europe: each of them bought an average of 4 tickets, i.e. over twice as many as a German (1,9). Another way to perceive the specific nature of the Irish market is to compare it with another European country with a relatively low number of inhabitants. Switzerland, for example, sold only slightly more tickets, although there are twice the number of inhabitants. After Ireland, the country with the best growth results is The Netherlands, which gains three million spectators compared to '99 (+15,9%), easily crossing the 20 million threshold reached in '98. The Netherlands thus reduces the lead of Belgium, a country that is close both in geographical and, at least partly, in cultural terms, yet very different in terms of the structure of cinema-going.

If, in 1998, Belgium, with 5 million fewer inhabitants, boasted 5 million more spectators, in 2000, with a respectable growth rate of 6,3%, it saw its lead diminish to around 1,5 million spectators.

In third place, as regards growth, is another "minor" territory, in terms of numbers of inhabitants. This is Austria, which grows by 8,5% compared to '99, gaining a million spectators compared to 1998.

Of the five big European markets – those that can boast at least 100 million spectators – France was the one to grow most in 2000. Whilst gaining over 12 million admissions compared to 1999 (+8,1%), it nevertheless failed to achieve the exceptional results reached in '98. Continuing downwards on the scale of growth rates, come the almost identical percentage improvements of Belgium (+6,3%), which, however, remains below the number of tickets sold in 1998, and Sweden (+6,2%), which gains over a million spectators compared to '98. For Luxembourg 2000 is better year than '99 (+3,5%) but not as good as '98. Instead, the Spanish market continues to grow and records a 3,1% increase and an extra 4 million spectators, compared to '99. An impressive 23 million more tickets are sold in 2000, compared to 1998. Spectators are also on the increase (+2,4%) in Germany, the second largest European market. However, this growth rate, which is decidedly lower than that of France – the leading European market – increases the distance between the two countries, which had been considerably reduced in 1999, when Germany remained basically stable, whilst France saw a considerable decline. Germany nevertheless remains amongst those countries that improved on their '98 results. To a lesser degree, the numbers of spectators have also increased in Norway (+2,1%), also improving in comparison to 1998, and in Finland (+1,6%) where, over a four-year period, a total increase of around 20% has been recorded. The growth rate in Italy is around 2%, where estimated figures are available for screens operating for at least 60 days a year. On the basis of this result it is probable that the whole of the Italian market crossed the 105 million spectator threshold in 2000, although remaining below the almost 113 million of '98. 2000 was a far less positive year for the markets of Eastern Europe. In the 12 countries that have already supplied data, an overall drop in admissions was recorded of 5,7% compared to 1999. Analysing the situation country by country, clear differences can be seen between territories which gained spectators and those who lost them. Estonia, Romania, Lithuania, Latvia, Turkey, Slovenia, the Czech Republic and Hungary belong to the former group. Of these countries, only Hungary, Estonia, Turkey and Latvia manage to better their 1998 results. In the case of Romania it is important to point out that in the summer of 2000, in a shopping centre in Bucharest, the country's first multiplex was opened, which, with its 10 screens, accounted for over 412 000 tickets, equal to around 8% of the national total. Steep drops were recorded in Yugoslavia, Bulgaria and Slovakia. Poland, which saw an exceptional 33,8% increase in 1999, loses almost 8 million spectators.

Elisabetta Brunella

(tables on page 2)

MEDIA Salles at Focus on Europe: Cinema Expo International Amsterdam, 25 - 28 June 2001

This MEDIA Salles initiative, whose objective is the promotion of European films at an international level, takes place for the fifth time in Amsterdam. European exhibitors and distributors who take part in the seminar opening the event will have the opportunity to obtain the most up-to-date information on trends in the sector. At the MEDIA Salles stand, they will find a wide range of literature, promotional material and trailers for the titles expected in Europe over the next few months and will be able to find information on over 5 500 European films and 12 000 production companies, distributors and exhibitors, by surfing in the European Cinema On-line Database.

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Screens and admissions 1997-1998-1999-2000

Country	Screens				var%	var%	var%	Admissions (x 1 000)				var%	var%	var%
	1997	1998	1999	2000	1997-1998	1998-1999	1999-2000	1997	1998	1999	2000	1997-1998	1998-1999	1999-2000
A	424	424	503	527	-	18,6%	4,8%	13 717	15 219	15 024	16 299	10,9%	-1,3%	8,5%
B	475	497	492	489	4,6%	-1,0%	-0,6%	22 073	25 386	21 869	23 250	15,0%	-13,9%	6,3%
CH	503	518	471	499	3,0%	-9,1%	5,9%	15 552	15 918	15 428	15 592	2,4%	-3,1%	1,1%
D	4 128	4 244	4 438	4 612	2,8%	4,6%	3,9%	143 122	148 876	148 996	152 500	4,0%	0,1%	2,4%
DK	320	331	331	352	3,4%	-	6,3%	10 843	11 011	10 915	10 691	1,5%	-0,9%	-2,1%
E	2 584	2 997	3 354	3 530	16,0%	11,9%	5,2%	105 045	112 143	131 348	135 391	6,8%	17,1%	3,1%
F	4 659	4 764	4 971	5 103	2,3%	4,3%	2,7%	148 935	170 110	153 570	165 960	14,2%	-9,7%	8,1%
FIN	321	331	362	343	3,1%	9,4%	-5,2%	5 943	6 395	7 035	7 150	7,6%	10,0%	1,6%
I[1]	2 456	2 619	2 839	2 950	6,6%	8,4%	3,9%	98 191	112 900	98 772	*101 000*	15,0%	-12,5%	2,3%
IRL	228	261	299	315	14,5%	14,6%	5,4%	11 491	12 387	12 390	14 900	7,8%	0,0%	20,3%
L	26	21	21	25	-19,2%	-	19,0%	1 186	1 415	1 316	1 362	19,3%	-7,0%	3,5%
N	395	393	398	391	-0,5%	1,3%	-1,8%	10 948	11 526	11 351	11 586	5,3%	-1,5%	2,1%
NL	497	516	518	562	3,8%	0,4%	8,5%	18 934	20 094	18 632	21 600	6,1%	-7,3%	15,9%
S	1 164	1 167	1 123	1 131	0,3%	-3,8%	0,7%	15 210	15 819	15 982	16 978	4,0%	1,0%	6,2%
UK	2 369	2 589	2 826	2 954	9,3%	9,2%	4,5%	138 922	135 217	139 059	142 500	-2,7%	2,8%	2,5%
Total	**20 549**	**21 672**	**22 946**	**23 783**	**5,5%**	**5,9%**	**3,6%**	**760 112**	**814 416**	**801 687**	**836 759**	**7,1%**	**-1,6%**	**4,4%**
BG	.	.	191	202	.	.	5,8%	2 685	2 333	2 484	2 217	-13,1%	6,5%	-10,7%
CZ	747	764	740	*700*	2,3%	-3,1%	-5,4%	9 815	9 252	8 371	8 719	-5,7%	-9,5%	4,2%
EE[2]	180	173	174	76	-3,9%	0,6%	-56,3%	974	1 060	875	1 084	8,8%	-17,5%	23,9%
HU	523	605	*571*	564	15,7%	-5,6%	-1,2%	16 818	14 578	14 921	15 234	-13,3%	2,4%	2,1%
LT	.	.	99	88	.	.	-11,1%	.	.	1 780	2 103	.	.	18,1%
LV	114	116	119	111	1,8%	2,6%	-6,7%	1 268	1 406	1 375	1 457	10,9%	-2,2%	6,0%
PL	825	841	*860*	.	1,9%	2,3%	.	*23 700*	*19 900*	26 621	18 700	-16,0%	33,8%	-29,8%
RO	441	379	316	293	-14,1%	-16,6%	-7,3%	9 456	6 799	4 192	5 112	-28,1%	-38,3%	21,9%
SI	93	93	88	.	-	-5,4%	.	2 503	2 569	1 956	2 077	2,6%	-23,5%	5,7%
SK	*337*	*337*	342	.	.	1,5%	.	4 041	4 082	3 030	2 645	1,0%	-25,8%	-12,7%
TR	487	584	694	457	19,9%	18,8%	-34,1%	17 765	22 641	24 843	26 040	27,4%	9,7%	4,8%
YU	.	*186*	160	164	.	-14,0%	2,5%	.	7 222	3 475	3 180	.	-51,9%	-8,5%
Total	.	.	**4 354**	.	.	.	.	.	.	**93 932**	**88 568**	.	.	**-5,7%**

[1] Figures referring to screens with more than 60 days of activity. MEDIA Salles elaboration on Siae and Cinetel data. [2] 1997, 1998 and 1999 data include "village cinema clubs".
1997-1999 figures: MEDIA Salles "European Cinema Yearbook - 2000 final edition" (http://www.mediasalles.it). 2000 data is provisional. Figures in italics are estimate.
Data may be reproduced on condition the source is mentioned.

Concentration of business in the European exhibition and distribution industry

The exhibition industry in Europe has always largely been an atomistic one, meaning many small and at the most medium-sized enterprises, none of which being able to influence market conditions in a noticeable way. Before World War II there were only a few exceptions, namely the integrated German UFA with subsidiaries in many European countries and the French Pathé[1]. Later, there was also the vertically integrated British company Rank. Nowadays there are no real European major film companies (not to be confused with the big European media conglomerates that do not produce feature films for theatrical release). There is, however, a growing concentration in the field of cinemas, on national levels as well as internationally.
Before showing some figures about the concentration of cinemas in a few hands, I think it appropriate to sum up the incentives for this concentration. These incentives are to be distinguished into two groups, namely aimed at increasing the efficiency, resp. at improving the market position. As I will indicate, there are also explanations of a different kind, which are not entirely of an economic nature.

<u>Increasing the efficiency</u>
Unlike many manufacturing industries, the operation of cinemas has relatively small so called internal economies (i.e. decreasing average costs with increasing size of the firm). Whereas, for instance the capacity of a sheet steel producing plant of optimal size was about 50% of the total capacity in the UK in 1964[2], and the costs of research and development of a new engine became so high in the automotive industry that many famous makes of car disappeared or crumbled to label engineering, the efficiency increasing factors are rather limited in cinema operation. In principle, one cinema can be operated on about the same level of efficiency as a number of cinemas. The only difference is that a cinema company can only afford specialists as e.g. in the technological field and in marketing, if it runs a number of cinemas, resp. screens. My estimation is that this number is not much higher than about one hundred[3]. This is quite low compared to e.g. the more than 700 screens Gaumont and Pathé together had when they announced a merger in 2000. This indicates that there are apparently other incentives to grow in size. That there are rapid changes in the field of concentration in Europe is illustrated in Table 1.

The development of multiplexes in Europe

	Sites			Screens		
	January 2000	January 2001	%	January 2000	January 2001	%
A	15	18	20,0	145	174	20,0
CH	3	5	66,7	28	47	67,9
CZ[1]	2	3	50,0	22	32	45,5
D	87	114	31,0	841	1 079	28,3
DK	2	4	100,0	26	45	73,1
E	104	121	16,3	1 068	1 239	16,0
F	93	106	14,0	1 072	1 231	14,8
GR	4	5	25,0	47	58	23,4
HU[1]	8	10	25,0	85	102	20,0
I	12	21	75,0	125	217	73,6
NL	4	7	75,0	33	70	112,1
PL[1]	4	10	150,0	43	107	148,8
RO	.	1	.	.	10	.
TR[1]	1	3	200,0	8	27	237,5
UK	133	153	15,0	1 420	1 660	16,9

[1]as at 31st October 2000.

<u>Improving the market position</u>
Reducing the film rent:
This can also be accomplished through booking arrangements. Furthermore, there is a limit to this because of the national and European competition rules.
Getting the commercially most important films:
This advantage is limited by the policy to show a film on several screens even in medium- sized towns.
Reducing the purchasing prices for the concession stands (quantity discounts) and getting better terms for screen advertising:
These advantages are very important indeed. (This may seem rather down to earth to outsiders, but it is a fact that the exhibition of films in cinemas would not be possible without the profits from the concession stands. Besides, the majority of the public would not like cinemas without concession stands).
However, even the two groups of incentives mentioned above can not sufficiently explain the strong concentration. There is, indeed, a third group of incentives, namely that *the growth of one company is an incentive for its closest competitors to strive for growth too.*
This, for instance, may have been an important reason for the merger of Pathé and Gaumont, announced in 2000, especially as a result of the aggressive marketing of UGC. Also belonging to this third group of incentives are non economic incentives, namely the drive of individual entrepreneurs, which in some cases could even be considered as a kind of addiction.

Table 1

Transnational chains in Europe (excl. of planned activities)

	Situation in October 1999[1]		Changes until end December 2000	
Company	Country	Partner		Partner
UCI (US)	A E D, IRL, UK	 Cinesa		
GAUMONT (F)	B F	.....................>	transferred to UGC merger with Pathé announced	
WARNER (US)	DK D P, E UK	Metronome Constantin ....> Lusomundo	 wants to withdraw from D[3]	
UGC (F)	B, F, E UK[2], IRL[2]			
PATHÉ (F)	F, NL		merger with Gaumont announced	
KINEPOLIS (B)	B F, E D	 Flebbe ....>	NL.........................> wants to withdraw from D[3]	Taxon (Wageningen) Cinema Group (Flushing)
Flebbe (D)	D B	 Kinepolis	 DK	
AMC (US)	P, E			
VILLAGE Roadshow (AUS)	HU, UK D GR	 ....> 	 withdraws from D[3]	
SANDREW FILM (S)	S DK	 Central Metronome		
CONSTANTIN (D)	D, A			
KIEFT/GREATER	D		NL	Wolff
UNION (D/AUS)	A		CH	Hellstern

1. Incorporated in my paper "Trends and Possibilities in the European Cinema Industry", presented at the conference of the Hungarian Exhibitors' Association in November 1999 in Budapest.
2. Purchased from Virgin Cinemas.
3. Filmecho/Filmwoche, 23 December 2000, page 30.

Sources: Belgian Cinema Federation (FCB)/European Cinema Yearbook, advance ed. 1999/Danish Cinema Association (DB).

Business Concentration in Exhibition
(market shares of admissions of the largest companies)

country	no. of companies	1995 %	1999 %
B	2, resp. 3	54,8[2]	65,0[3]
DK	3	41,1	53,1
E	3	21,9	.
F[1]	3	36,7	42,4
FIN	3	.	66,2
IRL	3	56,6	75,3
NL	3	62,88	62,7
S	4	80,7	76,1
UK	2	58,4	.

1. Including booking arrangements. **2.** The two largest.
3. The three largest.
Source: European Cinema Yearbook (MEDIA Salles).

As the above table shows, the degree of concentration in Denmark, France and Ireland (and apparently also in Belgium) increased between 1995 and 1999, whilst it decreased somewhat in Sweden. Much more important is that the level of concentration in most countries is rather high. One should be aware of the fact that in a big country like France more is needed for a high concentration than is the case in small countries with only a few hundred screens.
The market of distribution is not atomistic by nature. Even if there are relatively many distribution companies, their number is small compared to the number of exhibitors.

Business Concentration in Distribution
(market shares of gross box office of the three largest companies)

country	1995 %	1999 %
B	.	45,2
CH	63	49,8
D	.	45,5
DK	.	68,0
E	50,5[1]	47,3
F	49,2	33,5
FIN	.	48,7[2]
NL	60,7	56,7[2]
S	.	43,9
UK	65,3	.

1. 1996. **2.** Distribution revenue.
Source: European Cinema Yearbook (MEDIA Salles).

As the above table shows there is not an increase of concentration in the field of distribution. Similar to the exhibition industry, the high level of concentration is remarkable, with, again, the lowest one in France.

<u>The UIP case</u>
An interesting aspect of the business concentration in theatrical distribution came up with UIP's request to the European Commission to prolonge the permission to act as a unity in the Member States of the EU. (I was involved as an expert in media economy with the hearings by DG IV of the Commission in 1998.)
The respective market shares of UIP (Universal, Paramount and MGM) compared to those of the other major companies, were of course an important aspect of the judgement in this controversial case[4].
As an example, the market shares concerned in the Netherlands are indicated in Table 4.

Market shares (%) of major distributors in the Netherlands

	1992	1993	1994	1995	1996	1997	1998	1999
UIP	30,1	29,4	33,2	21,5	29,6	19,8	18,5	21,1
rank	1	1	1	2	1	2/3	2	1
Buena Vista	1,4	13,7	18,6	26,4	19,1	24,3	16,2	18,8
Col. TriStar	14,0	16,3	16,0	10,4	16,8	19,8	33,7	10,8
Warner Bros	25,2	19,7	15,2	12,8	9,6	12,6	12,3	16,8
Total	78,9	79,1	83,0	71,1	75,1	76,5	80,7	67,5

Sources: European Cinema Yearbook (MEDIA Salles), Annual Report Neth. Cinematographic Federation (NFC).

This table indicates that in a period of eight years UIP had the biggest market shares in five years, the biggest but one in two years and a shared second and third in one year. However, the market shares of the four biggest major distribution companies fluctuated strongly from year to year. This is understandable because they depend largely on the success of only a few films.

Dr Joachim Ph. Wolff

Dr Wolff is the chairman of the Research Foundation of the Netherlands Cinematographic Federation (NFC) and the scientific advisor of MEDIA Salles and its European Cinema Yearbook.
He delivered this paper at the presentation of the 9th edition of the European Cinema Yearbook of MEDIA Salles and its Source Document on 14 February 2001 in Berlin.

Notes

1. See: Klaus Kreimeier, "Die Ufa-Story. Geschichte eines Filmkonzerns" (Munich and Vienna, 1992), and Jacques Kermabon (ed.), "Pathé. Premier empire du cinéma" (Paris, 1994). The existing German, resp. the French company with these names can not be considered as genuine successors of the original companies.

2. M.A. Utton, "Industrial Concentration", (Harmondsworth, 1970), page 20.

3. A decrease of costs per cinema, resp. screen that can be achieved on a much higher level of magnitude, is spreading of head office overheads by merger of circuits, as it was brought forward by K.-P. Grummitt (Dodona Research) in his paper "Latest trends in European exhibition" (included in "MEDIA Salles for the promotion of European Cinema. Focus on Europe at the Cinema Expo International 2000 Seminar", Amsterdam, 26 June 2000), page 5. However, one should not forget that with growing size diseconomies will already have appeared in the circuits caused by worsening internal communications and by red tape in their head offices.

4. The permission was granted. In my opinion, this was right, but partly based on incorrect considerations.