CINEMA D'EUROPA MEDIA SALLES

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MEDIA

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JOINING YOUNG AUDIENCES AT THE CINEMA
Exhibitors at the Giffoni Film Festival

For the third consecutive year, MEDIA Salles proposes the Focus on Europe - *Kidflix Special* - event. For the occasion, we move to Italy, to a small town at the threshold of the Amalfi coast, where children from all over the world have been meeting regularly for over thirty years, to take part in one of the most important international film festivals, where they are both spectators and protagonists. From 17 to 20 July, it will, in fact, be the turn of the Giffoni Film Festival to host the third edition of this event specifically addressing European exhibitors committed to programming films for young audiences and schools. As well as following a programme that foresees pre-screenings, seminars and discussions on issues linked to programming and ancillary events for cinemas, these exhibitors will also be able to take their seats alongside the young spectators, gain first-hand experience of the Festival's promotional activities and make the acquaintance of a structure at present in its evolutionary stages, the "Giffoni Media Valley", a project already partly completed, which foresees a museum, a reception centre and the Campus for ideas, devoted to training and production, as well as a cinema already in operation.
But what does the GFF represent in the overall panorama of children's cinema and what has it got to offer European exhibitors? We discuss this question with the Festival Director, Claudio Gubitosi.
Mr Director, if you were asked to describe in a few words the GFF, which you yourself promoted and have been involved with since its very beginnings, thirty-three years ago, where would you start?
Rather than just an event, the GFF is an ongoing cultural project, not a seasonal one, concerned with the promotion of top quality cinema for children, where production, distribution, training, travelling events and music come together. This year there will be around 1,000 young jury members from all over Italy and from over 20 foreign countries. Not forgetting that the Festival is counted amongst the 25 most important cinema events in the world.
Unfortunately, however, what festivals offer frequently doesn't correspond to the actual offer accessible to exhibitors and thus to audiences.
This, too, is one of our Festival's commitments: to draw attention to certain titles, freeing them from the niche area of films for a chosen few. After the Festival, we take an interest in the films themselves, as we wish to provide the missing link between the works selected and the audiences they address. In some cases, we have even become distributors, reviving the circulation of films already considered "dead". The titles selected are seen by young people from dozens and dozens of nations and some are bought by as many as 120 different states. As for Italy, once the cinema distribution is over, millions of families have been able to see the finest and most attractive stories on television.
Fifty exhibitors will attend the Giffoni Film Festival for MEDIA Salles' Focus on Europe this July. Will this encounter between the Festival and those who actually take the films to young audiences in the cinemas lead to something?
This is what we hope, because this Festival addresses the children, their sensitivity, their tastes. But then, when they go home, they need to be able to find the variety and quality of films that they have experienced here back in their own cinemas. This means that closer collaboration between exhibitors and the GFF must necessarily be positive for circulating new ideas and going more thoroughly into those that have already been tried out. Like the Movie Days, for example: a complete project which we could classify under the heading of training, which, over the years, has crossed the boundaries of Campania to involve other regions and has brought great satisfaction and results that have sometimes come as a surprise.

FOCUS ON EUROPE - KIDFLIX SPECIAL - GIFFONI (SALERNO, ITALY) 17-20 JULY 2003

Enrolments are now open for the new Focus on Europe event devoted to the programming and promotion of European cinema for children and to the organisation of ancillary events and cinema management.
The usual package offer, which has facilitated participation at MEDIA Salles' initiatives at the "Castellinaria" Festival (Bellinzona) and the Kid Screen meetings (Como, Varese and Milan) in past years, is once again available for this occasion.
Further details will soon be available on the MEDIA Salles' Website, at www.mediasalles.it
Information will also be available on this site for those wishing to take part in the "Euro Kids" award, presented, as in past years, to the cinemas that have organised the best programming, ancillary events and promotion of the European cinema with young audiences. Those wishing to do so may contact the MEDIA Salles' offices:
Tel.: +39.02.66984405; Fax: +39.02.6691574;
E-mail: infocinema@mediasalles.it
Information regarding the Festival can be found on the official Website:
www.giffoniff.it

CINEMA-GOING IN EUROPE IN 2002

The conflicting trends in admissions to Western European cinemas in 2002 make it difficult to interpret the data. Opposite readings would almost seem to be justified, since it is possible to point out a growth on some markets but a drop on others, just as attention can be drawn to the rise of domestic films in some cases or to a dip in others.
Such a situation thus requires careful analysis and some caution in the formulation of hypotheses. A general glance at the 16 territories for which data is available, although still in its provisional form, reveals that the total number of tickets sold has increased, from 2001 to 2002, by approximately 0.8%, rising from 924 million to 931 million.
However, in a situation that would seem to be basically stable, quite different trends are to be seen.
These twists regard both the large markets, i.e. those that count at least a hundred million spectators, and the smaller ones.
In the first group, France closes 2002 with tickets sold of 184.46 million - a slight decrease of 0.7% compared to 2001 (185.82 million). This is, however, the second best result since 1985 and allows France to consolidate its position as European market leader. The figures showing the results achieved by domestic films can be interpreted - once again! - in two different ways: in 2001 French titles sold 77 million tickets, in 2002 65 million. This is a clear drop (their market share, in terms of admissions, decreases in fact from over 41% to 35%) but, in absolute terms, yet still the second best result since 1986.
If France seems to be in line with the trend emerging from the overall figures for Western Europe, Spain and, above all, Germany see a decrease in audiences - and one that is not negligible. Spain, with a loss of six million tickets, loses ground to the extent of 4.2%, after a period of steady growth lasting since 1989, whilst Germany loses as much as 7.9%, from almost 178 million tickets to around 164. One of the reasons for this is the lack of the factor that underpinned the leap forward in 2001: a domestic production, capable of repeating the exceptional results achieved by *Der Schuh des Manitu* (over 10.5 million tickets sold), one of the factors that allowed Germany to come close to challenging France's leadership.
The trend of the Italian and British markets, on the other hand, shows positive signs. In Italy, according to the first figures available, screens operating for at least 60 days have totalled a little over 108 million tickets with an increase of around 2.7%. The UK results are decidedly more flattering, with an extra 20 million spectators, which makes it the second largest European market, with admissions approaching 176 million (almost +13%). The enormous success of two films with a "British flavour" - *Harry Pot-*

(continues on page 2)

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ter and the Chamber of Secrets and *Die Another Day* - certainly lies behind this record result.

Unlike the five major markets, the smaller territories seem to be united by a smoother and seemingly positive trend. Only Norway seems to counter this trend (-3.5%), where, like Germany, in 2002 the exceptional performance of domestic films, which characterised 2001, has been missed. In 2002 Norwegian films do, in fact, account for 7.5% of admissions, compared to 14.9% in 2001. Finland stands out amongst the expanding territories. The only Western European market to have experienced a serious decrease in 2001, grows considerably in 2002 (17.8%), thanks also to the success of its domestic productions, which accounted for over 1.3 million tickets (i.e. 17% of the total), with four films drawing over 200,000 spectators.

In this group, Switzerland, too, sees a significant increase in audiences (nearly 10%), like Ireland (8.6%) and Denmark (8.3%). Lower growth rates are to be seen in Belgium (around 2%), the Netherlands (1.4%), Austria (1.4%), Luxembourg (1.3%) and Sweden (1.1%).

As regards the Netherlands, attention should be drawn to the important market share obtained by domestic films in 2002 (around 10.5% of total admissions), which is even better than it was in 2001 (9.5%).

On the other hand, there are negative signals coming from Eastern Europe and the Mediterranean Rim. Here, nine out of the thirteen territories for which data is available lose audiences and throughout the area, where 99 million tickets were sold in 2002, compared to 104 million in 2001, the decline approaches 5%.

Here, too, however, there are considerable differences. The most important market in Eastern Europe - Poland - sees a 2% decrease, nonetheless remaining over the 27-million-spectator threshold and recording anyway the third best result since 1991. There is a similar trend in Hungary (-3%). The results in the Czech Republic, on the other hand, are positive (3.2%). Of the Eastern European markets with fewer than ten million spectators, Estonia is growing, and quite considerably. With over a million and a half spectators, with an increase of 19.5%, it reaches an annual average for admissions of above 1 (1.14). Here, too, the exceptional success of an Estonian film, which proves to have achieved the largest number of admissions of the year, with 8.7% of spectators, seems to confirm the theory that domestic productions are capable of drawing extra audiences. The results are also positive in Slovenia (12.6%) and the Slovak Republic (2.5%).

Audiences continue to dwindle in Latvia, however, where there has been a steep drop over a two-year period (from almost one and a half million spectators to a little over a million, i.e. -26.6% in two years). Lithuania, where figures change radically (-19%), nevertheless obtains one of the best results of the past five years, which all gained far better results admissions than the pre-1998 period (in 1998 a total of 1,594,000 tickets were sold, whilst in '96 less than a third of this: 470,000). Audiences also decrease in Yugoslavia (-2.7%), Croatia (-5.7%) and Romania (-7.2%). Of the Mediterranean countries, Turkey suffers a considerable dip (-14.5%), whilst Cyprus remains basically stable (-0.5%). To sum up, alarming signals emerge in 2002, which on some markets seem to be repeated in the trend of the opening months of 2003 and to confirm the perception of the Continent of Europe, in terms of cinema-going, as a group of markets with extremely specific features, for which it is difficult to provide an overall interpretation.

Elisabetta Brunella

Secretary General of MEDIA Salles

Screens and admissions from 1997 to 2002

countries	screens 1997	1998	1999	2000	2001	2002	var % 1997 1998	var % 1998 1999	var % 1999 2000	var % 2000 2001
A	424	424	503	523	579	562	-	18.6%	4.0%	10.7%
B	475	497	492	491	493	499	4.6%	-1.0%	-0.2%	0.4%
CH	503	518	471	499	508	511	3.0%	-9.1%	5.9%	1.8%
D	4,284	4,435	4,651	4,783	4,792	4,868	3.5%	4.9%	2.8%	0.2%
DK	320	331	331	358	361	358	3.4%	-	8.2%	0.8%
E	2,584	2,997	3,354	3,556	3,747	4,039	16.0%	11.9%	6.0%	5.4%
F	4,659	4,764	4,971	5,110	5,241	5,280	2.3%	4.3%	2.8%	2.6%
FIN	321	331	362	343	339	*342*	3.1%	9.4%	-5.2%	-1.2%
I [1]	2,456	2,619	2,839	2,948	3,112	3,299	6.6%	8.4%	3.8%	5.6%
IRL	228	261	299	313	322	326	14.5%	14.6%	4.7%	2.9%
IS	50	45	46	47	50	*40*	-10.0%	2.2%	2.2%	6.4%
L	26	21	21	25	25	25	-19.2%	-	19.0%	-
N	395	393	398	391	394	392	-0.5%	1.3%	-1.8%	0.8%
NL	499	516	520	562	565	596	3.4%	0.8%	8.1%	0.5%
S	1,164	1,167	1,123	1,129	1,174	1,176	0.3%	-3.8%	0.5%	4.0%
UK	2,369	2,589	2,826	3,039	3,248	3,402	9.3%	9.2%	7.5%	6.9%
total	**20,757**	**21,908**	**23,207**	**24,117**	**24,950**	***25,715***	**5.5%**	**5.9%**	**3.9%**	**3.5%**
CY	23	26	30	28	43	43	13.0%	15.4%	-6.7%	53.6%
CZ	747	764	740	743	749	748	2.3%	-3.1%	0.4%	0.8%
EE [2]	180	176	174	76	81	81	-2.2%	-1.1%	-56.3%	6.6%
HR	•	147	141	142	149	146	•	-4.1%	0.7%	4.9%
HU	580	625	603	562	622	*622*	7.8%	-3.5%	-6.8%	10.7%
LT	115	105	99	88	84	79	-8.7%	-5.7%	-11.1%	-4.5%
LV	114	116	119	111	126	103	1.8%	2.6%	-6.7%	13.5%
PL	698	714	755	824	852	874	2.3%	5.7%	9.1%	3.4%
RO	441	379	316	293	276	247	-14.1%	-16.6%	-7.3%	-5.8%
SI	93	93	88	*84*	*92*	88	-	-5.4%	-4.5%	9.5%
SK	*337*	*337*	342	292	289	283	-	1.5%	-14.6%	-1.0%
TR	487	584	694	*770*	921	923	19.9%	18.8%	11.0%	19.6%
YU	•	*186*	160	164	215	215	•	-14.0%	2.5%	31.1%
total	***3,815***	***4,252***	**4,261**	***4,177***	***4,499***	***4,452***	**2.7%**	**0.2%**	**-2.0%**	**7.7%**

[1] Figures (source SIAE) referring to screens with more than 60 days of activity.

[2] 1997, 1998 and 1999 data include "village cinema clubs".

1997-2001 figures: MEDIA Salle
(http://www.mediasalles.it).

MULTIPLEXES IN WESTERN EUROPE: A NEW INDICATOR OF THEIR EFFECTIVENESS

For some years multiplexes (cinemas with 8 screens or more) have occupied a preponderant place in the cinema markets of a number of West European countries. (In the UK since 1999 more than 50% of all screens have been in multiplexes). In accordance with this development, in the "European Cinema Yearbook" more and more attention is focused on this phenomenon. Comparing the figures concerning the multiplexes in West European countries, some interesting or even striking differences become apparent. Therefore, it seems useful to develop instruments for comparing the position of the multiplexes on their respective national markets.

In Table 1 the respective numbers of screens in multiplexes as a percentage of the total numbers of screens (*degree of penetration of multiplexes,* cf. "European Cinema Yearbook", Introduction - section 10) are indicated in columns 1, 4 and 7, whilst the respective numbers of admissions in multiplexes as a percentage of total admissions (in other words, the market shares based on admissions of the multiplexes) are indicated in columns 2, 5 and 8. As an indicator of the relative effectiveness of the multiplexes in a country in a given year, the following quotient can be used:

$$\frac{\text{admissions in multiplexes as a percentage of total admissions}}{\text{nos. of screens in multiplexes as a percentage of the total nos. of screens}}$$

These quotients are specified (in bold type) in columns 3, 6 and 9 of Table 1.

Table 1 - Indicators of the relative effectiveness of multiplexes

countries	(1)	(2)	(2):(1)=(3)	(4)	(5)	(5):(4)=(6)	(7)	(8)	(8):(7)=(9)
	1999			2000			2001		
	% of screens	% of adm.	indicator	% of screens	% of adm.	indicator	% of screens	% of adm.	indicator
A	28.83	•	•	33.27	48.47	**1.46**	38.86	63.09	**1.62**
B	43.50	73.30	**1.69**	43.99	75.05	**1.71**	48.68	74.45	**1.53**
D	20.30	32.80	**1.62**	23.08	37.52	**1.63**	25.21	39.74	**1.58**
I	4.40	7.37	**1.68**	7.36	12.75	**1.73**	11.69	16.58	**1.42**
NL	6.35	11.30	**1.78**	12.46	15.22	**1.22**	12.39	20.23	**1.63**
DK	7.85	16.71	**2.13**	12.57	24.97	**1.99**	15.51	27.55	**1.78**
F	21.57	36.18	**1.68**	24.32	41.15	**1.69**	26.27	45.16	**1.72**
E	31.84	37.68	**1.18**	35.40	47.56	**1.34**	40.94	53.39	**1.30**
FIN	9.39	30.10	**3.21**	9.91	36.99	**3.73**	12.68	37.76	**2.98**
N	9.30	21.09	**2.27**	9.46	21	**2.22**	9.39	20.65	**2.20**
S	12.91	38.60	**2.99**	12.84	31.64	**2.46**	13.88	37.84	**2.73**

Source: "European Cinema Yearbook" - 2002 final edition, table on p. 119.

ar %	admissions (x 1,000)						var %	var %	var %	var %	var %
2001 2002	1997	1998	1999	2000	2001	2002	1997 1998	1998 1999	1999 2000	2000 2001	2001 2002
2.9%	13,717	15,219	15,024	16,299	18,985	19,245	10.9%	-1.3%	8.5%	16.5%	1.4%
1.2%	22,073	25,386	21,869	23,548	*24,000*	24,544	15.0%	-13.9%	7.7%	1.9%	2.3%
0.6%	15,552	15,918	15,428	15,592	17,113	18,811	2.4%	-3.1%	1.1%	9.8%	9.9%
1.6%	143,122	148,876	148,996	152,533	177,925	163,910	4.0%	0.1%	2.4%	16.6%	-7.9%
0.8%	10,843	11,011	10,915	10,691	11,921	12,911	1.5%	-0.9%	-2.1%	11.5%	8.3%
7.8%	105,045	112,143	131,348	135,391	146,810	140,716	6.8%	17.1%	3.1%	8.4%	-4.2%
0.7%	148,935	170,110	153,570	165,957	185,816	184,461	14.2%	-9.7%	8.1%	12.0%	-0.7%
0.9%	5,943	6,395	7,035	7,091	6,539	*7,700*	7.6%	10.0%	0.8%	-7.8%	17.8%
6.0%	98,191	112,900	98,772	97,819	105,538	108,346	15.0%	-12.5%	-1.0%	7.9%	2.7%
1.2%	11,491	12,387	12,390	14,886	15,942	17,319	7.8%	-	20.1%	7.1%	8.6%
0.0%	1,477	1,508	1,549	1,569	1,508	1,599	2.1%	2.7%	1.3%	-3.9%	6.0%
-	1,186	1,415	1,316	1,362	1,414	1,432	19.3%	-7.0%	3.5%	3.8%	1.3%
0.5%	10,948	11,526	11,351	11,586	12,477	12,041	5.3%	-1.5%	2.1%	7.7%	-3.5%
5.5%	18,934	20,094	18,647	21,581	23,787	24,117	6.1%	-7.2%	15.7%	10.2%	1.4%
0.2%	15,210	15,819	15,982	16,978	18,101	18,297	4.0%	1.0%	6.2%	6.6%	1.1%
4.7%	138,922	135,217	139,059	142,507	155,911	175,906	-2.7%	2.8%	2.5%	9.4%	12.8%
.1%	**761,589**	**815,924**	**803,251**	**835,390**	***923,787***	***931,355***	**7.1%**	**-1.6%**	**4.0%**	**10.6%**	**0.8%**
-	931	1,013	842	1,012	858	854	8.8%	-16.9%	20.2%	-15.2%	-0.5%
0.1%	9,815	9,252	8,371	8,719	10,363	10,693	-5.7%	-9.5%	4.2%	18.9%	3.2%
-	974	1,060	875	1,084	1,304	1,558	8.8%	-17.5%	23.9%	20.3%	19.5%
2.0%	•	2,738	2,295	2,743	2,935	2,766	•	-16.2%	19.5%	7.0%	-5.8%
-	16,443	14,570	14,388	14,287	15,693	15,227	-11.4%	-1.2%	-0.7%	9.8%	-3.0%
6.0%	565	1,594	1,780	2,103	2,367	1,916	182.1%	11.7%	18.1%	12.6%	-19.1%
8.3%	1,268	1,406	1,375	1,457	1,152	1,070	10.9%	-2.2%	6.0%	-20.9%	-7.1%
2.6%	24,330	20,318	27,516	20,892	27,650	27,091	-16.5%	35.4%	-24.1%	32.3%	-2.0%
0.5%	9,456	6,799	4,192	5,112	5,726	5,316	-28.1%	-38.3%	21.9%	12.0%	-7.2%
4.3%	2,503	2,569	1,965	2,077	2,466	2,776	2.6%	-23.5%	5.7%	18.7%	12.6%
2.1%	4,041	4,082	3,030	2,646	2,848	2,920	1.0%	-25.8%	-12.7%	7.6%	2.5%
0.2%	17,765	22,641	24,843	26,040	26,008	22,229	27.4%	9.7%	4.8%	-0.1%	-14.5%
-	•	7,222	3,475	4,096	4,806	4,678	•	-51.9%	17.9%	17.3%	-2.7%
.0%	**88,091**	**95,264**	**94,947**	**92,268**	**104,176**	**99,094**	**-3.2%**	**-0.3%**	**-2.8%**	**12.9%**	**-4.9%**

s, "European Cinema Yearbook" - 2002 final edition

2002 data is provisional, figures in italics are estimates.
Data may be reproduced on condition the source is mentioned.

An advantage of this indicator is that it is not dependent on the absolute values of the numerators and the denominators, but only on the relation of these two percentages, making it possible to compare markets of completely different sizes. This can be explained by the following example:
The average numbers of admissions to screens in multiplexes as well as to other screens in the Netherlands were higher than the corresponding figures in France. This is indicated in Table 2.

Table 2 - Situation in France and the Netherlands in 2001

	(1) indicator in 2001	(2) av. nr. of adm. to screens in multiplexes	(3) av. nr. of adm. to other screens	(2) : (3) = (4) relation
NL	1.63	68,735	38,335	1.79 : 1
F	1.72	60,935	26,374	2.31 : 1

Source: "European Cinema Yearbook" - 2002 final edition.

Due to the fact that the average number of admissions to screens in multiplexes in France differs more from the average number of admissions to other screens than is the case in the Netherlands (see column 4 of Table 2), the indicator of the **relative** effectiveness of multiplexes was higher in France than in the Netherlands.

Based on the values of this indicator (in 2001), the countries can be split up into four groups:

- relatively medium values: Austria, Belgium, Germany, Italy, the Netherlands;
- relatively high values: Denmark, France;
- relatively low value: Spain;
- very high values: the three large Scandinavian countries, Finland, Norway and Sweden.

The relatively low indicator in Spain deserves special attention. In 1992 the number of admissions per screen was 46,099. (Only 3.71% of the screens were in multiplexes then). In 1999 the average number of admissions to the screens in multiplexes (31.84% of all screens then) was slightly higher, namely 46,336.

The relatively very high values of the indicator in Finland, Norway and Sweden are caused by the fact that the character of the multiplexes there differs fundamentally from that of the many small cinemas in small towns and villages.

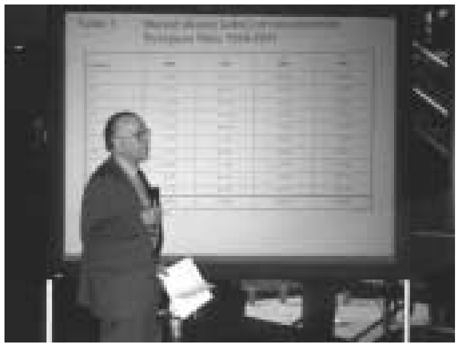
A weakness of the indicator is that it is of little significance when it concerns a relatively substantial overall addition of screens in multiplexes, especially late in a year. (This was e.g. the case in the Netherlands in 2000, when the 5th, 6th and 7th multiplex were opened in resp. April, July and November, which resulted in an indicator of only 1.22 [see column 6 of Table 1]).

Dr Joachim Ph. Wolff

Scientific advisor to MEDIA Salles' "European Cinema Yearbook" and chairman of the Research Foundation of the Netherlands Cinematographic Federation.

MEDIA SALLES AT THE 2003 BERLIN FESTIVAL

On 11 February this year, MEDIA Salles presented in Berlin the 11th edition of the "European Cinema Yearbook" ***(in the photo, Dr Joachim Ph. Wolff)***. The most important new features include the addition of South Korea to the tables comparing European and other markets, the 32 chapters devoted to individual territories, for which the Yearbook shows cinema-going, a monitoring of cinemas equipped for digital projection and the situation of European multiplexes, updated to 31 October 2002, showing a substantial increase in them over only ten months. On 1 January 2002 there were, in fact, 745 multiplexes in Europe, whilst on 31 October of the same year the number had grown to 811 (+8.9%). The number of screens housed in multiplexes has increased even more, rising from 7,957 to 8,705 (+9.4%).
The monitoring of digital cinemas, which MEDIA Salles has launched in this new edition of the Yearbook, meets two demands: firstly for more complete information on digital technology in cinemas and, secondly, for the possibility to compare and examine in greater detail the analyses, by using a tool that is as practical as possible.



MEDIA SALLES' COMING EVENTS

CANNES FILM FESTIVAL
22 May, 5.30 pm
Presentation of MEDIA Salles' Newsletter "European Cinema Journal" no. 2/2003.
Village International - Pavilion 11 - Europe, Stand MEDIA - Tel.: +33.4.92590220.

"EUROPEAN CINEMA EXHIBITION: A NEW APPROACH"
Training courses for exhibitors promoted by MEDIA Salles and organised in collaboration with EFC - European Film College - and DB - the Danish exhibitors' association.
First course, 2003: 4-8 June, Ebeltoft (Denmark); second course, 2003: 24-28 September, Rome (Italy),
organised in collaboration with ANEC.
The closing date for applications is 15 July.
Application forms are available on MEDIA Salles' Website (www.mediasalles.it).

FOCUS ON EUROPE AT CINEMA EXPO INTERNATIONAL
23-26 June, Amsterdam
Once again this year the event organised by MEDIA Salles will provide an opportunity for promoting European cinema through the screening of trailers and entire films. Amongst our traditional appointments, the opening seminar on the trends in European cinema exhibition, amongst the novelties the MEDIA Salles' award to Stefan Arndt - producer of X Filme Creative Pool (D) - for the international hit and domestic blockbuster *Good Bye Lenin!* directed by Wolfgang Becker.

THE KOREAN FILM INDUSTRY, DRAMATIC MOVEMENT OVER THE NEXT GENERATION

1. The origin of the new wave on Korean screens

Korea is the only nation ideologically divided in two - this seems to be the most reasonable explanation for the Korean people being so moved by the movie *JSA (Joint Security Area)* which photographed the situation of a divided Korea - together with the series of changes that took place in the Korean film industry in the 90s.

On the other hand, as shown by the wild fluctuations in the table that follows, the Korean film industry has been deeply affected by external factors, such as: the influence of the production strategies of the Hollywood blockbusters, the impetus provided by large-scale funding and the value of the Korean movie in itself.

In particular, economic issues and social trends such as the financial crisis in 1997 supported by the International Monetary Fund and new legislation introducing five working days a week, have been decisive in determining the new direction taken by the film industry.

One salient feature over the past decade has been the increasing success of Korean films on the screens, where they have proved capable of attracting new spectators - a phenomenon similar to that witnessed in some European countries, according to what emerged during MEDIA Salles' Focus on Europe event at Cinema Expo International 2002, in Amsterdam.

Considering all these points, the following three reflections on the Korean film industry, especially from the 90s up to the present, may be offered to European movie concerns.

2. Increasing market share of Korean movie, from 15.9% to 45.2% within 9 years

Until 1993, the Korean movie had a very small market share, because of its low quality, due to the limited budget for production and the lack of a well-developed system compared to the mighty Hollywood majors, which had been present on the Korean market since 1988. Accordingly, the market share of Korean movies had been steadily decreasing for the above mentioned period, finally dropping to 15% and threatening its very existence.

However, in 1999 the film *Shiri* brought a positive turning. It was the first Korean blockbuster movie, recording around 5 million spectators: it catapulted to the top of the South Korean box office and ended up toppling the record previously held by *Titanic*. This exceptional event was enough to initiate large-scale fund-raising and the creation of a production system by SEG (Samsung Entertainment Group). *Shiri's* success, representing the opportunity for the market share to soar to 39.7%, inspired many Korean filmmakers and convinced them that Korean productions could be successful if they were based on a good financial support and a selected, quality background.

Subsequently other Korean movies, like *Joint Security Area* and *Friend* were of great impact in the Korean film market, so that in 2002 the market share settled at 45.2% in terms of admissions and at a higher 46.7% in terms of box office. It should be remembered that, at the end of the nineties, the number of foreign movies released in Korea was six times higher than for domestic movies.

Apart from the development of the Korean movie in itself, the spread of multiplexes, mainly belonging to the Orion Group and CJ, and the legislation on the "five-day working week" have tempted the Korean people to visit theatres more during their longer weekends. As a result the Korean film market has continued to expand by 17% to 18% each year and total audiences in 2002 amounted to over 100 million.

In addition, major distributors of Hollywood movies, such as Warner Brothers, MGM and Dreamworks began to obtain the copyright for remakes of several movies that had been big hits on the Korean market. Fox, Walt Disney and other direct-distribution companies also started to take Korean movies on board their global distribution runs. Most recently, Columbia signed a contract on world distribution and investment with a local production company.

3. Large Korean enterprises join the race for film business

In the turmoil of the national crisis and IMF aid, most of the funding for the film industry seemed to come to a halt as the major sponsoring companies became involved in corporate restructuring and attempted to do away with unnecessary expenses and investments. Nevertheless, not only small and medium funding but also financial capital were able to replace the void thanks to a series of Korean movie successes and the theatre franchising system for securing stable profits.

As the film industry recovered from the monetary crisis thanks to this massive funding and to the constant production of quality movies, the situation was reversed. Competition on this market is becoming fiercer day by day and the major Korean enterprises with nationwide multiplex chains, represented by the Orion Group, CJ and Lotte, strive to strengthen their market leadership in terms of production and distribution, as well as exhibition. Another dark horse on the market, Cinema Service, has made the production and distribution of Korean movies its top priority and is now starting to open its own theatres. Significantly, it is already known that this company has concluded a merger deal with its foremost competitor, CJ, and the Orion Group and Lotte are expected to launch survival strategies that will lead the market into the second round.

4. Bubbles & preparations for the bright scene

"All-about big money, pour your money into the cinema" - this message circulating amongst Korean investors tuned out to betray their boundless belief in Korean movies. In the 2000-2001 period the amount of money invested in the film industry soared to 201,500,000,000 Korean Won and these enormous figures led the market into a bubble trap, instead of developing it. This resulted in a serious problem for the Korean industry of "ineffectiveness", due to the high marketing costs for surviving in the midst of keen competition and the failure of the overall scenario. Eventually, the film market has started to cool since last year.

In conclusion, the Korean film industry will probably be managed by a few major investors and distributors this year, who will also be fierce competitors in a critical situation characterised by excessive demands for strictly limited funds.

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A complete version of this article provided with graphs and diagrams is published in the "Cinema Research Library" section of MEDIA Salles' Website (www.mediasalles.it).

The Korean film industry from 1980 to 2002

year	screens	admissions (million)	no. of movies		mkt share of dom. movies
			domestic	others	
1980	447	53.77	91	39	46.6%
1990	789	53.46	111	276	20.2%
1996	511	42.27	65	403	23.1%
1997	497	47.52	59	431	25.5%
1998	507	50.25	43	305	25.1%
1999	588	54.72	49	297	39.7%
2000	720	64.62	59	359	32.6%
2001	836	89.36	52	365	46.1%
2002	900	107.92	78	302	45.2%

TRAINING FOR EXHIBITORS: COURSES IN DENMARK AND ITALY IN 2003

In a few days' time the first of the two courses "European Cinema Exhibition: A New Approach", planned for 2003, will begin. The initiative is promoted by MEDIA Salles and organised in collaboration with the European Film College and DB, the Danish exhibitors' association. **The first appointment is in Ebeltoft, Denmark, from 4 to 8 June.** The course foresees a series of seminars and lectures led by professional players and experts of different nationalities, group work and the sharing of successful experiences. The main topics include analysis of the progress and trends of European cinema; the marketing of cinemas; the prospects for digital cinema; the most effective modes of interaction with the general public.

The second course will be held in Rome, Italy, from 24 to 28 September, with the collaboration of ANEC. **Enrolments for this course are open until 15 July.** The course modules are published on the MEDIA Salles' Website (www.mediasalles.it). On this occasion, too, lectures and group work are planned, with the addition of visits to cinemas in Rome that provide clear examples of the different types of offer available to audiences. Amongst the topics that will be discussed in Rome, particular emphasis will be placed on the promotion of cinemas in the summer months.

This topic will also be taken up in the coming edition of the Newsletter "European Cinema Journal", which publishes an interview with Andreas Kramer, Secretary General of the HDF, the national association of German exhibitors, who will take part in the Rome course to present the initiatives organised in German cinemas during the summer season.

Both courses are open to European professional operators in the field of cinema exhibition.

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