

# How public funding can stimulate and motivate film industry to digital transition

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# Finland: Background and statistics

- 174 cinemas; 301 screens
- Admissions 7 000 000; only 1,3 per capita (2008); Boxoffice 55 mEuro; Local share 23 %
- 6 big cities take appr. 65 % of admissions; 68 % of gross box office
- Biggest cinema chain's market share 70 %
- More than 20 % of screens in multiplexes; 49 % one screen only
- 18 digital screens with 2K projectors ; 14 with 3D

# Public support for distribution and exhibition is a long tradition

- The Finnish Film Foundation is financed by lottery and pools funds through Ministry of Education
- Almost 10 % of FFF's annual budget goes to the equipment and modernisation of cinemas
- Transition to digital sound was a subsidy focus in the 90's
- Transition to digital projection should be as well: basis DCI
- Domestic digital prints (the content) have also been subsidised; max 70 % of costs

# Public funding is also a way to stimulate industry to transition

## Basics for the support:

- Public support should develop individual projects but also the industry as a whole
- Encouragement to look for new audiences and earning potential
- Private initiatives should get a positive response from public authorities
- Practical experiences needed, even mistakes can be learned from

# Some results

- December 2006: first 2K screen
- December 2008: 14 2K screens, 10 with 3D (regional balance)
- 2009: 15-20 2K screens more; at least 10 with public funding\* – all 3 D (Dolby or Xpand)
- All new Finnish films available also on digital: first Finnish 3 D –animation this year?
- Alternative content: MET operas are doing well; Formula 1 was a disappointment

(\* General limit of the subsidies is 50 % of costs)

# FFF's subsidies for digitalisation 2006-2008

<b>Amount</b>	<b>City</b>	<b>Company</b>	<b>Frequency</b>	<b>Year</b>
<b>60 000</b>	<b>Helsinki</b>	<b>Finnkino</b>	<b>3,84</b>	<b>2006</b>
<b>60 000</b>	<b>Seinäjoki</b>	<b>Reijo Aho Oy</b>	<b>1,95</b>	<b>2007</b>
<b>50 000</b>	<b>Espoo</b>	<b>DC M&amp;R</b>	<b>0,71</b>	<b>2008</b>
<b>27 500</b>	<b>Vantaa</b>	<b>Finnkino</b>	<b>0,47</b>	<b>2008</b>
<b>75 000</b>	<b>Hämeenlinna</b>	<b>DC M&amp;R</b>	<b>1,52</b>	<b>2008</b>
<b>55 500</b>	<b>Joensuu</b>	<b>Savon Kinot</b>	<b>2,14</b>	<b>2008</b>
<b>46 000</b>	<b>Loviisa</b>	<b>Logimar</b>	<b>1,28</b>	<b>2008</b>
<b>374 000</b>	<b>(33.1 %)</b>			

# Next steps

## STILL BIG ROLL-OUT NEEDED

- General plan and funding from the State: special project and contribution of 1mEuro for digital transition 2009
- Local public funding by municipalities: new type of cinema raising interest
- Distributors must participate: local VPF –model must be found !
- European approach for public financing: EU-Commission's notification

# Training the industry

- Transition to digital requires also digital thinking, not only projection
- Training is needed for the whole industry: film makers, producers, distributors and exhibitors – even the media
- Public institutions responsible for organizing research and training
- FFF's own test-bed cinema with 2K



Thank you for your attention !

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